

HOUSING ELEMENT

County of Santa Cruz GENERAL PLAN

Winter, 1991

County of Santa Cruz Planning Department

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HOUSING ELEMENT

County of Santa Cruz General Plan

Winter, 1991

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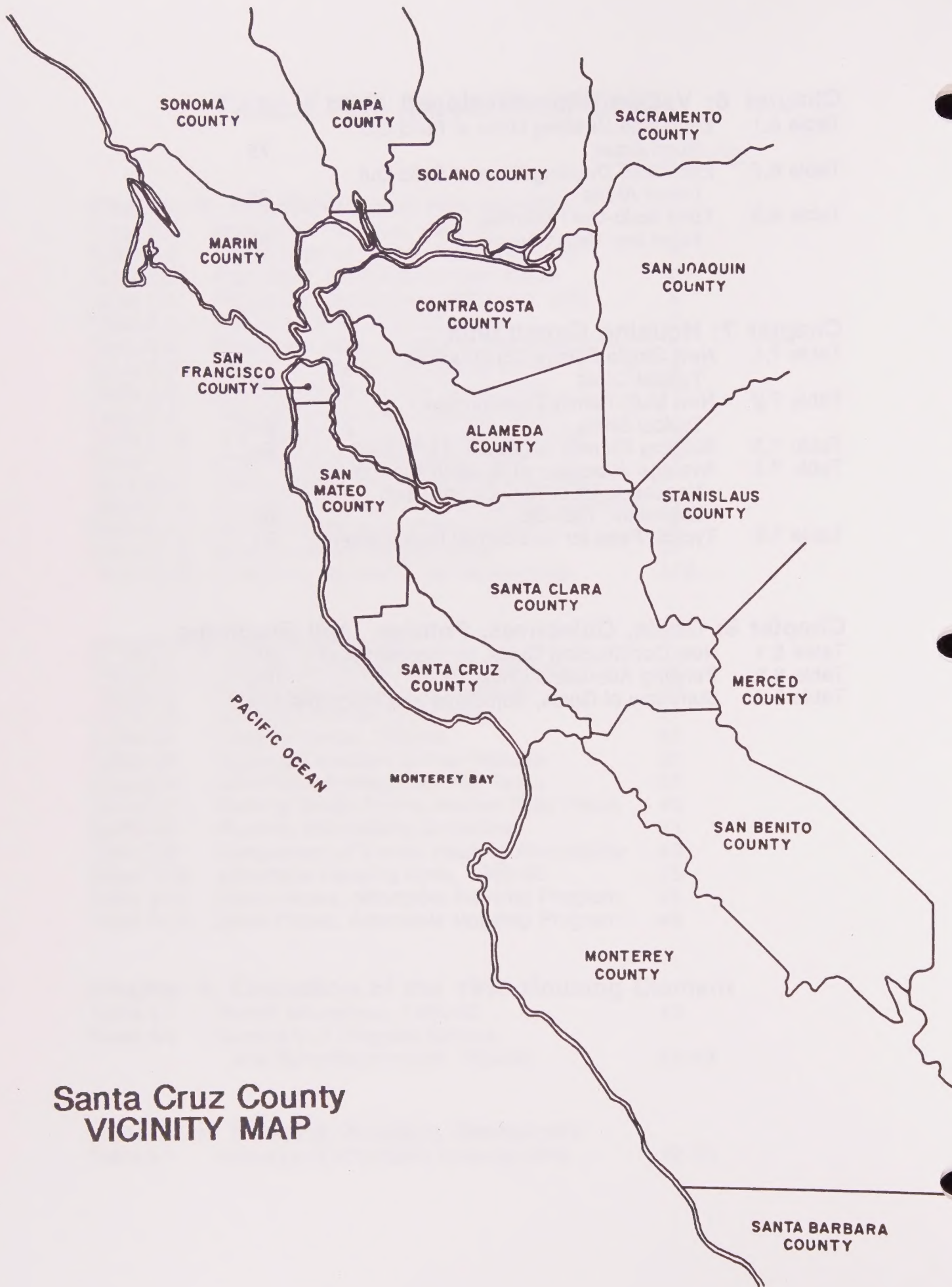
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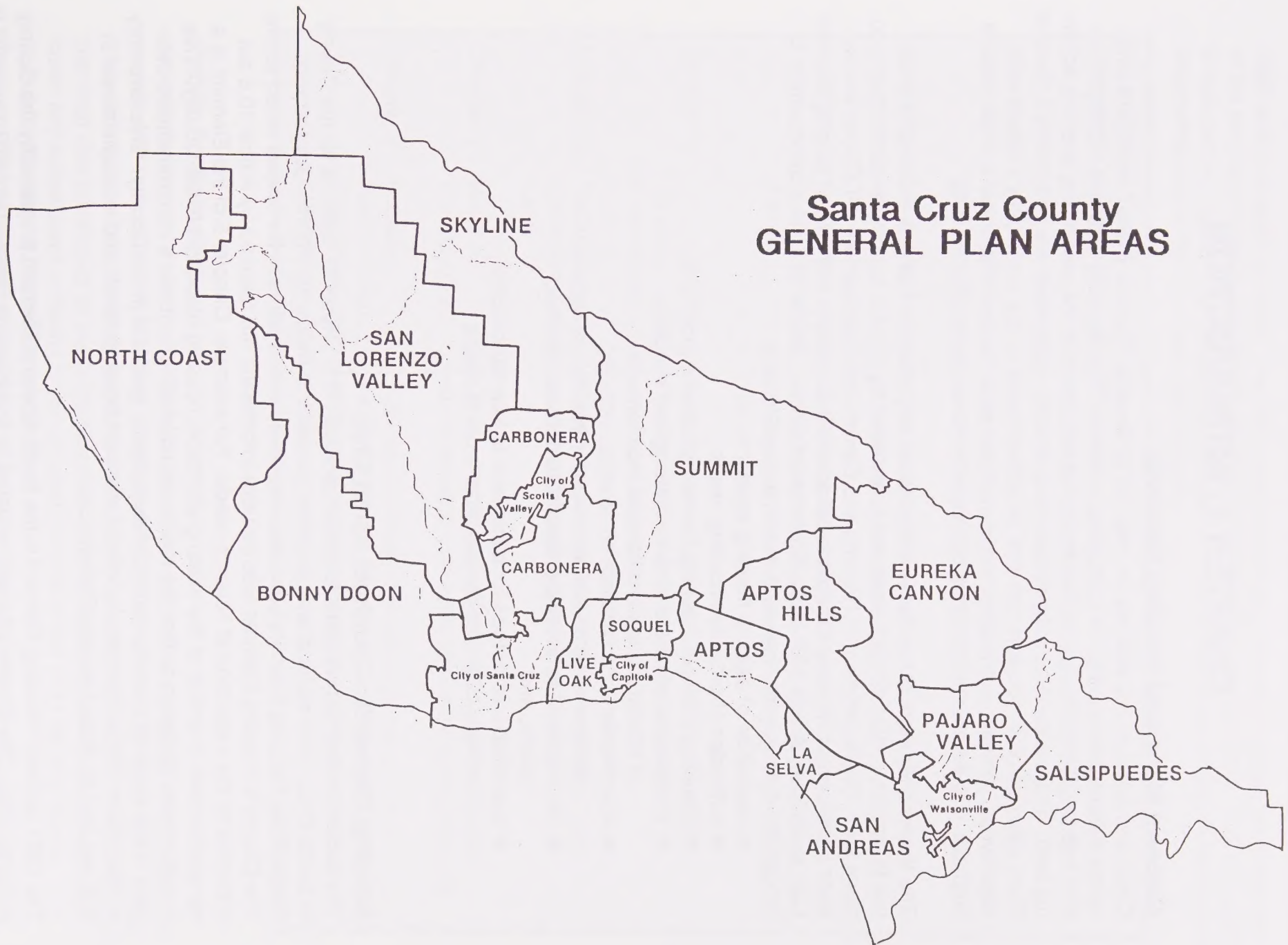
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**Santa Cruz County
VICINITY MAP**

Santa Cruz County GENERAL PLAN AREAS



CHAPTER 1: INTRODUCTION

General Plans and Housing Elements

Cities and counties in California are required to develop "General Plans," which are long-range planning documents. A community's General Plan typically provides a comprehensive and long-term strategy for the physical development of the community and any adjoining land. There are seven subject areas that must be addressed in a community's General Plan, although other subjects can also be added based on the community's needs and objectives. The seven mandated "elements" that each General Plan must contain include land use, circulation, conservation, open space, noise, safety and housing.

The Housing Element of the General Plan is the only element that is mandated by State law to contain certain subject areas and is reviewed by a State agency for conformance to State law. The Department of Housing and Community Development (HCD) can review each community's Housing Element to determine if it complies with State Housing Element Law, specifically Article 10.6 of the Government Code. Article 10.6 asks communities to include the following information in their Housing Element:

- evaluation of existing housing needs,
- estimates of projected housing needs,
- review of previous Housing Element goals and programs,
- inventory of adequate sites for housing and evaluation of infrastructure condition and requirements,
- identification of constraints on housing, including governmental as well as nongovernmental constraints,
- development of housing programs to address identified needs, and
- quantifiable objectives for attainment of new construction, rehabilitation and conservation housing needs.

Housing Elements: County of Santa Cruz

The document that follows constitutes the updated (1991) Housing Element for the County of Santa Cruz. This material was prepared pursuant to Article 10.6 of the Government Code (State Housing Element Law) and was developed to address the issues noted above. The County's Housing Element also includes information not required by Article 10.6 but important to the evaluation of housing needs. For example, Chapter 5 of the Element is a comprehensive inventory of the existing affordable housing resources in the County. This inventory was designed so that the reader would be able to obtain a comprehensive overview of the range of housing opportunities currently available in the County. This inventory is information that is important in order to evaluate housing needs and is supplemental to that required by State Housing Element Law.

The 1991 updated Housing Element is the fourth Housing Element prepared by the County of Santa Cruz. The County originally adopted its first Housing Element in 1970, revised it in

1980 and then again in 1985. The 1991 updated Housing Element includes an evaluation of the progress made by the County since the 1985 Element was adopted. This evaluation is included in Chapter 4 of the updated Element. Following is the full range of chapters and issues included in the 1991 updated Element:

Chapter 1: Introduction	Description of Housing Element and its relationship to County's General Plan and to State Housing Element law; public participation process.
Chapter 2: Population and Households	Data regarding population growth and types of households living in Santa Cruz County.
Chapter 3: Housing Stock	Data describing type and amount of housing available in Santa Cruz County.
Chapter 4: Evaluation of 1985 Housing Element	Description of goals, policies and programs included in 1985 Housing Element, and evaluation of County's progress in implementing the Housing Element since 1985.
Chapter 5: Existing Housing Resources	Identification of type and amount of affordable housing opportunities and resources currently available in Santa Cruz County.
Chapter 6: Vacant/Underdeveloped Land	Description of amount of vacant or underutilized land available for residential development.
Chapter 7: Housing Constraints	Governmental and non-governmental constraints to the production of adequate housing opportunities.
Chapter 8: Housing Needs, Goals, Objectives and Programs	Estimate of future household and housing unit needs for the 1991-96 time frame; description of goals, objectives and programs to address those needs.

Public Participation

An important part of the Housing Element update process is the participation by interested members of the community. During the preparation of the 1991 Housing Element update, the public was invited and encouraged to participate in a number of ways. Following is the plan that was developed for public participation in the update process. This plan will also cover any subsequent revisions to the updated Element in the 1991-96 time frame.

1. Public Review of Document for 30 Days

Copies of the proposed final draft document were made available for public review and

comment for a 30 day period. Availability of the document was posted at the County Governmental Center in Santa Cruz as well as the Governmental Annex in south county.

Notice that the final draft Housing Element was available for review was sent to community groups that represent households of various economic backgrounds (i.e. very low income, lower income and moderate income households) as well as groups that represent special need households. The notice included information as to the content of the document and the location where it could be reviewed. Further, information was provided in the notice as to where comments on the document could be sent as well as any public hearings that were scheduled for the document.

2. Public Meetings and Public Hearings

Three decision making bodies were involved in receiving public comment on the Housing Element: the Housing Advisory Commission (HAC), the Planning Commission and the Board of Supervisors. An informational session and public meeting on the initial preparation of the 1991 Housing Element was held in early February, 1991 before the HAC. Information about the HAC meeting was sent to over 50 groups and/or individuals. The groups notified were community agencies, developers and organizations that represent a variety of different types of households, including lower income households and special need households. Public hearings on the draft and final document were also held before the HAC, Planning Commission and the Board of Supervisors. A 14-day notice of these hearings was advertised in the local newspapers, and posted at the Governmental Center in Santa Cruz and the Governmental Annex in south county. Interested community groups were also notified of the HAC, Planning Commission and Board of Supervisor hearings. In addition, the County in 1991 held several special meetings at farm labor camps to discuss the housing needs of farmworker households. A complete list of these meetings as well as all other meetings and public hearings held in conjunction with the preparation of the 1991-96 Housing Element is contained in Appendix #16 of this document.

3. Housing Advisory Commission (HAC)

The HAC is an important component of the public review process of housing issues in Santa Cruz County. Members of the HAC are appointed by the Board of Supervisors and represent the different geographic areas of the County. The HAC is charged with reviewing housing issues in the County and presenting their recommendations to the Planning Commission and the Board of Supervisors. The HAC meets on a monthly basis and is provided staff support by the Planning Department and the Housing Authority. The HAC provides initial review and comment on proposed housing programs and housing issues of concern, and serves as a public review body for Housing Element updates and revisions.

4. Open Public Participation in the General Plan Update Process

At the same time that the Housing Element was being updated, the other elements of the County's General Plan were also being updated. This process involved a series of community planning workshops focused on the urban areas of the unincorporated County. As of June, 1991, nearly 20 open community workshops (all with public notice) have been held and another 30 or more are anticipated. While housing is not the focus of these meetings, housing issues are discussed and this feedback has been incorporated into the updated Housing Element.

CHAPTER 2: POPULATION AND HOUSEHOLDS

Population Growth

The population of Santa Cruz County has increased steadily during the past three decades. In 1960, the County's total population was 84,219 persons; by 1990, it had increased to 235,335 persons. In the decades between 1960-1980, the County's rate of population growth exceeded that of the State of California. During the 1980-1990 decade, the County's average annual growth rate reflected the approximate rate of growth for the State.

Table 2.1 Population Increase, 1960-90
California and Santa Cruz County, Incorporated (Inc.) and
Unincorporated (Uninc.) Areas

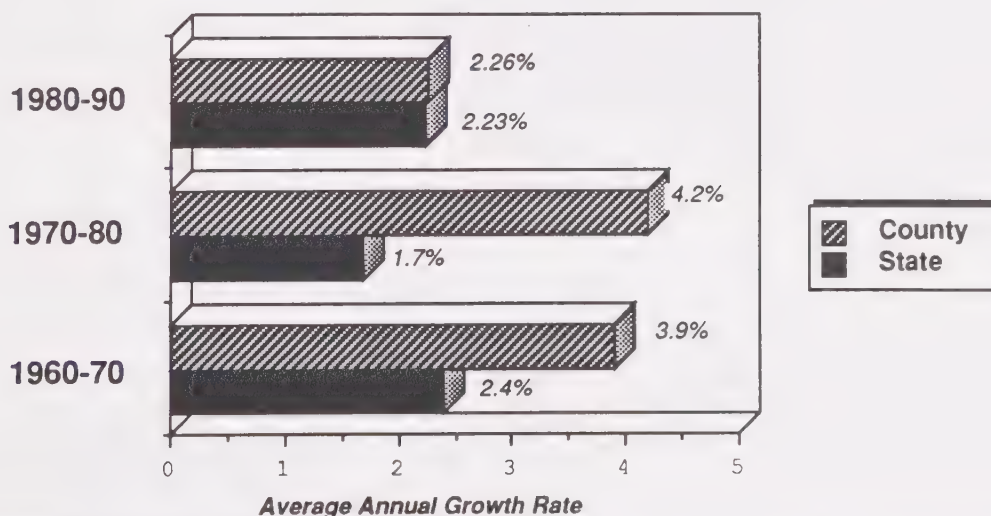
	Santa Cruz County	<i>Growth Rate</i>	<i>Growth Rate</i>	State of	<i>Growth Rate</i>
	(Inc. and Uninc.)	<i>(Inc. and Uninc.)</i>	<i>(Uninc. Only)</i>	California	
1960	84,219*			15,720,860*	
1970	123,788*	3.9%	4.9%	19,957,304*	2.4%
1980	188,141*	4.2%	4.5%	23,668,145**	1.7%
1990	235,335**	2.26%	2.3%	29,473,000**	2.23%

*Source: U.S. Census and 1985 County of Santa Cruz Housing Element

** Source: State of California, Dept. of Finance (Please note: 1990 population estimates from the Department of Finance were used in this table to ensure consistency with other data in this section. 1990 U.S. Census data received in early 1991 indicate that the County's total 1990 population is 229,734 persons. The population for the unincorporated area of the County, according to the 1990 U.S. Census, is 130,809 persons.)

Growth rates are compound average annual rates

Table 2.2 Comparative Growth Rates, 1960-90
County of Santa Cruz and State of California

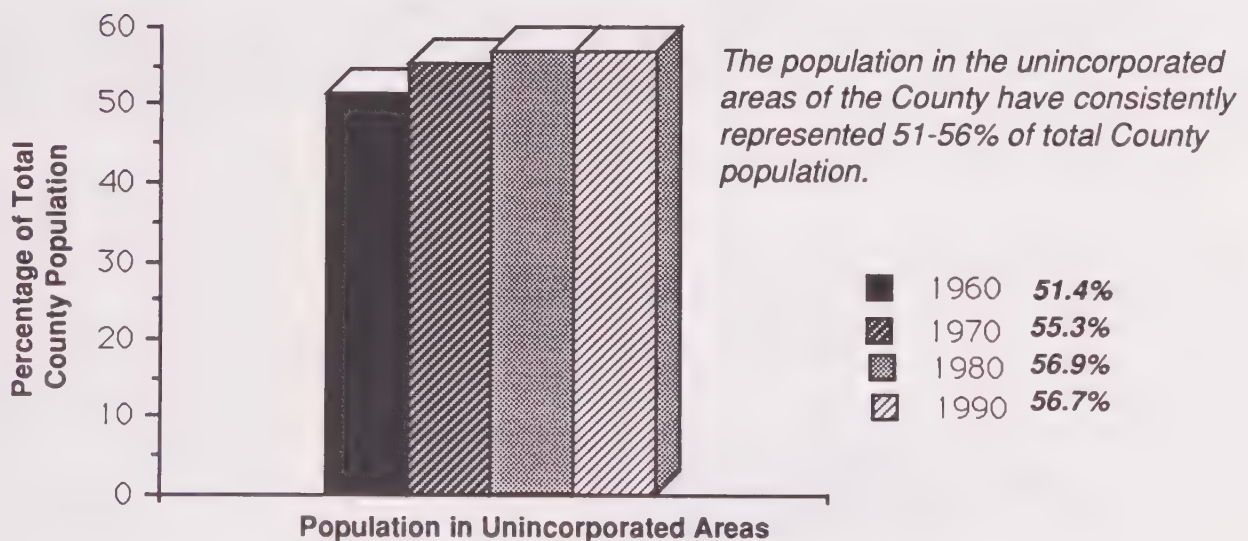


In looking at growth rates for the unincorporated County only, the average annual growth rate for the County exceeded that of the State for the same time periods, although only minimally for the 1980-90 decade.

Population Distribution

The unincorporated areas in the County have consistently represented over half of all the population in the County. For example, in 1960, the population in the unincorporated areas represented 51.4% of the County's total population. By 1990, that percentage had increased to a total of 56.7% of all the Countywide population. The population count for the unincorporated areas of Santa Cruz County was 133,461 persons, as of January 1, 1990 (according to Department of Finance estimates); the 1990 U.S. Census estimate was 130,809 persons in unincorporated Santa Cruz County.

Table 2.3 Population of Unincorporated Areas
as a Percentage of Total County Population, 1960-1990



Source: U.S. Census (1960, 1970 and 1980)
State of California, Department of Finance (1990)

The 1990 "Regional Housing Needs Plan," prepared by the Association of Monterey Bay Area Governments (AMBAG), estimates the distribution of population in the County by "Housing Market Area (HMA)s." According to that report, the majority of the population in the unincorporated areas of Santa Cruz County live in the "North Central Santa Cruz County HMA," which is all of the County's unincorporated area except that in the Pajaro Valley. Only 13% of the unincorporated population was estimated to be living in the Pajaro Valley HMA, which excludes the City of Watsonville. AMBAG defines HMAs as areas which are geographically and economically distinct from the rest of the region and which have similar housing needs. In order to determine the boundaries of these Housing Market Areas, AMBAG used 1980 U.S. Census data commuting patterns of residents to their places of employment. A map identifying the census tract locations of the two Housing Market Areas is enclosed in Appendix #4 in this Housing Element.

Pajaro Valley Housing Market Area (HMA) contains sections of northern Monterey County adjacent to the Pajaro River and the southern section of Santa Cruz County, primarily the area surrounding the City of Watsonville.

North Central Santa Cruz County Housing Market Area (HMA) is the remainder of Santa Cruz County not included in the Pajaro Valley Housing Market Area.

**Table 2.4 Population Distribution, 1990 and 1995
by AMBAG Housing Market Area (HMA)
County of Santa Cruz (Unincorporated Area)**

	1990 Estimate	1995 Estimate
<i>Pajaro Valley HMA</i>	18,010	23,869
<i>North Central Santa Cruz County HMA</i>	<u>117,176</u>	<u>127,421</u>
TOTALS	135,186*	151,290

Source: "Regional Housing Needs Plan", AMBAG, June, 1990 (Table 9)

* Please note that AMBAG's 1990 population estimate differs from the estimated 1990 population count by the State of California, Department of Finance (133,461 persons) and the 1990 U.S. Census estimate (130,809 persons).

HOUSEHOLD DATA

Household Size

For purposes of looking at housing supply and demand, it is useful to translate information from population figures to household data. According to data from the State of California Department of Finance, there were 235,335 persons in the unincorporated and incorporated areas of the County as of January 1, 1990. Of this total, 7,500 persons were living in group quarters and the remaining 227,835 were part of the estimated 83,441 households in the County. The majority of County residents in group quarters occupy residential quarters at the University of California, Santa Cruz. As of 1990, households in the unincorporated areas of the County accounted for 46,717 of the total 83,441 households, or 56% of all County households.

Household size is an important consideration when addressing housing issues. The number of people occupying a housing unit affects the size and condition of the unit, as well as the demand for additional units in the housing market. For example, a continued decrease in household size with an increase in population would indicate a demand for additional housing units to accommodate the new household formations. On the other hand, dramatic increases in household size could indicate a number of situations such as "unrelated" households living together or an increase in the number of households with more than two children. In the County, the average household size has increased steadily over the last decade. In 1980, the household size was 2.54 persons per household; by 1990, that number had increased to 2.73 persons per household. The average household size for the unincorporated area is 2.81 persons per household. As the chart below illustrates, the City of Capitola had the smallest 1990 average household size and the City of Watsonville had the largest.

**Table 2.5 Persons Per Household (Average Household Size)
County of Santa Cruz, 1990**

City of Capitola	2.18
City of Santa Cruz	2.51
City of Scotts Valley	2.73
City of Watsonville	3.05
County of Santa Cruz (Including Cities)	2.73
County of Santa Cruz (Unincorporated)	2.81

Source: State of California, Department of Finance 1/90

The 1990 Countywide average household size of 2.73 persons per household closely matches the average household size of 2.7 experienced during the 1960s and 1970s. It exceeds the average household size of 2.5 persons per household characterizing the 1980s.

The State's average household size closely matches that of the County's. In 1990, the average household size for the State was 2.72 persons per household. The State Department of Finance estimates that the average household size will remain stable throughout the 1990s. After the year 2000, the Department of Finance projects a gradual decline in average household size, with a decrease to 2.60 persons per household by the year 2020.

Household Type and Ethnicity

The most comprehensive County household data available at this time is from the 1980 U.S. Census. In 1980, 64.6% were "family" households, e.g. those households typically headed by a married couple. Another 25% of all households were one person households, and the remaining 10% of all County households were classified as "non-family" households. These non-family households had two or more persons living together in a housing situation, but not necessarily related by the usual ties of blood or marriage.

Table 2.6 below identifies the proportion of households according to whether there were children present in the household and by the type of household.

**Table 2.6 Household Type
County of Santa Cruz, 1980**

	<i>With Children Under 18 Yrs.</i>	<i>W/o Children Under 18 Yrs.</i>	<i>Total</i>	<i>% of All Households</i>
One Person	N/A	N/A	18,171	25.3%
Married Couple Family	17,030	20,815	37,845	52.7%
Other Family	5,299	3,219	8,518	11.9%
Two or More Person Non-family	N/A	N/A	7,259	10.1%
TOTAL	N/A	N/A	71,793	100%

Source: U.S. Census, 1980

The 1980 Census data also provided information in regard to racial or ethnic background. According to the 1980 data, 87% of the countywide population considered themselves "white," with less than 1% of the population of black racial origin. Another approximate 1% was of Indian or Eskimo origin and 2.6% of the population was Asian or Pacific Islander. The County's largest significant minority was of Spanish origin, comprising 14.7% of the total population. The households of Spanish origin live primarily in the southern part of the County in and surrounding the City of Watsonville. Other areas where significant numbers of households of Spanish origin live are in the City of Santa Cruz and in some of the agricultural lands in the northern part of the County.

Households by Income Level

In reviewing household information, it is useful to evaluate the proportion of households by income level. The four categories used to determine income levels are very low, low or lower, moderate and upper income households. These income levels are determined by evaluating the median income for the area and adjusting that income by household size. In the County of Santa Cruz, the area's 1990 median income was determined to be \$39,700 for a household of four persons (Source: State of California, Department of Housing and Community Development).

A low or lower income household is typically defined as a household with an annual income of 80% or less of the areawide median income. Therefore, a four person household with an income of \$31,750 or less would be considered a lower income household in Santa Cruz County. The threshold for the definition of a very low income household is usually 50% of median income (however, this percentage is sometimes adjusted depending on whether the geographic area has a significantly higher or lower than normal median income). A household is considered moderate income if their annual income does not exceed 120% of the areawide median income. In Santa Cruz County, a four person household with an annual income of no more than \$47,650 would be considered moderate income in 1990.

For housing programs that are assisted with either State or Federal funds, the typical household income levels that are considered eligible for assistance are lower or very low income. Locally assisted housing programs, especially those funded with Redevelopment tax increment funds, can assist lower and very low income households, as well as moderate income households.

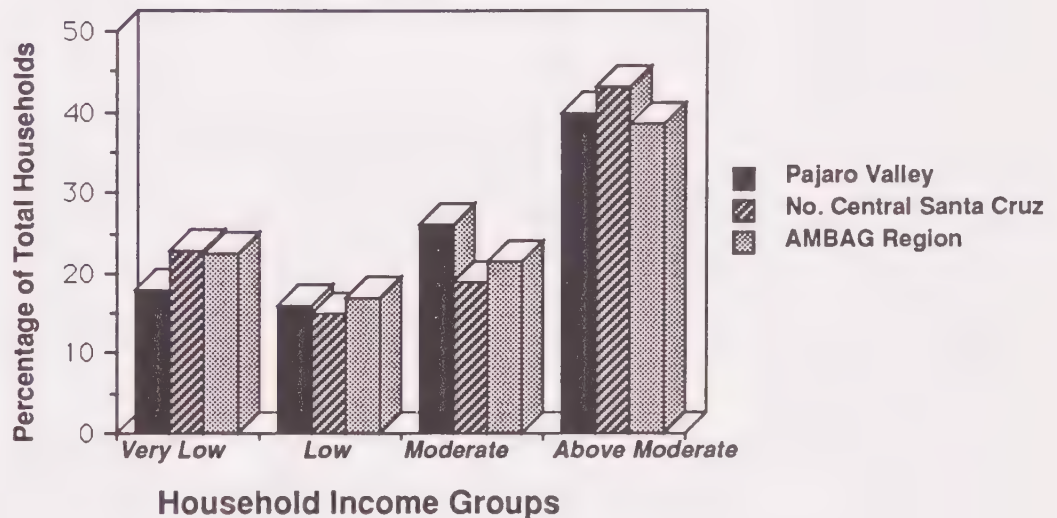
**Table 2.7 Maximum Household Income Limits
County of Santa Cruz, 1990**

	<i>Number of Persons in Family</i>				
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
Very Low Income	\$16,150	18,450	20,750	23,050	24,900
Lower Income	\$22,250	25,400	28,550	31,750	33,750
Median Income	\$27,800	31,750	35,750	39,700	42,200
Moderate Income	\$33,350	38,100	42,900	47,650	50,600

Source: State of California, Department of Housing and Community Development, 1990.

The "Regional Housing Needs Plan," prepared by AMBAG in 1990, also estimates the number of households by income level according to 1980 U.S. Census data. This report separates those households living in the Pajaro Valley HMA from those living in the North Central Santa Cruz County HMA (all those areas in the County except for the Pajaro Valley). According to the 1990 AMBAG report, 34% of all the households in the unincorporated area of the Pajaro Valley HMA and 38% of all the households in the rest of the unincorporated areas of Santa Cruz County were of low or very low income (see Table 2.8 below).

**Table 2.8 Households by Income Level
for County of Santa Cruz (Unincorporated Areas)
and the AMBAG Region, 1989**



	Very Low	Low	Moderate	Above Moderate	TOTAL
Pajaro Valley HMA (Unincorporated Areas)	18%	16%	26%	40%	100%
North Central Santa Cruz HMA (Unincorporated Areas)	23%	15%	19%	43%	100%
Santa Cruz/Monterey AMBAG Region (Incorporated and Unincorporated Areas)	22.7%	17%	21.7%	38.6%	100%

Source: "Regional Housing Needs Plan", AMBAG, June, 1990 (Table 20)

AMBAG used 1989 household income group estimates from Table 2.8 as the basis for developing an allocation of households for 1996. For the unincorporated area of the County within the Pajaro Valley HMA, AMBAG established a goal of increasing the area's share of very low and low income households and decreasing the percentage share of moderate and above moderate income households. The unincorporated area of the County within the North Central Santa Cruz HMA is estimated to increase its share of very low income households and decrease the percentage shares of low, moderate and above moderate income households; however, all of the proposed changes in the North Central Santa Cruz HMA are of very modest amounts.

Table 2.9

**Household Income Groups By Geographic Area
for the County of Santa Cruz (Unincorporated Area)
1989 (Estimated) and 1996 (Projected)**

	1989 Units By Income	1989% Distribution by Income	1996 Goals By Income	1996% Distribution by Income	Construction Goals
UNINCORPORATED AREA OF COUNTY IN PAJARO VALLEY HMA					
Very Low	1,345	18.02%	2,747	22.38%	1,402
Low	1,181	15.82%	2,240	18.25%	1,059
Moderate	1,949	26.11%	2,808	22.88%	859
Above Moderate	<u>2,989</u>	<u>40.05%</u>	<u>4,478</u>	<u>36.49%</u>	<u>1,489</u>
TOTAL	7,464	100%	12,273	100%	4,809
UNINCORPORATED AREA OF COUNTY IN NO. SANTA CRUZ HMA					
Very Low	10,277	22.91%	12,305	23.70%	2,028
Low	6,884	14.99%	7,902	14.87%	1,018
Moderate	8,649	18.82%	9,955	18.73%	1,306
Above Moderate	<u>19,643</u>	<u>43.28%</u>	<u>22,465</u>	<u>42.70%</u>	<u>2,822</u>
TOTAL	45,453	100%	52,627	100%	7,174

Source: "Regional Housing Needs Plan," AMBAG, June, 1990 (Table 20)

Future Household Estimates

As identified in Table 2.9 on the previous page, AMBAG has projected the need for approximately 11,983 new units in order to accommodate future household growth through 1996: 4,809 new units in the unincorporated area of southern Santa Cruz County and another 7,174 units in the remainder of the unincorporated County. Following the established statutory procedures for requesting revisions to the draft AMBAG Regional Housing Needs Plan, the County of Santa Cruz has requested a reduction of 4,681 units in its 1991-96 new construction goal. Six other jurisdictions also submitted local revisions to AMBAG within the 90-day time period allowed under State law.

Information in the Appendix of this Housing Element provides the documentation of the revision process. Santa Cruz County formally requested a revision on September 12, 1990. The County's reasons for requesting a revision were as follows: (1) The State's allocation to the region is based in part on the assumption that there will continue to be a significant and growing population commuting to Santa Clara County (in the ABAG region). Using this assumption for population projection purposes compounds and encourages a continued pattern of conduct in ABAG area jurisdictions to provide an inadequate amount of housing within that region to match job growth there; thus creating undesirable pressure on Santa Cruz County housing prices, regional traffic congestion and air pollution. Such projections institutionalize a failure of jurisdictions to meet the requirements of government codes. (2) The initial housing allocation would require unincorporated Santa Cruz County to grow at a rate well in excess of recent historic growth rates. (3) The initial allocations exceed the growth allowed for in the Regional Air Quality Management Plan. (4) The allocation assumed for replacement housing is higher (0.2% per year) than the clearly documented housing loss rate (0.1%) for Santa Cruz County.

The AMBAG Board of Directors considered the requested local revisions of the seven jurisdiction on November 14, 1990. The Board chose to accept all seven local revisions contingent on State acceptance of the revised plan. If the State does not accept the revised plan, AMBAG will return to the previous allocations. A sub-group of AMBAG representatives continues to work with State officials on resolving this issue. For purposes of this Housing Element, the County is continuing to show both the original AMBAG allocation (11,983 units) and the County's requested revision (7,302 units) pending final resolution of the issue.

A brief examination of applied for and approved projects from 1988-1991, conducted by interns in the Planning Department, was used to determine if there is a trend indicating that projects are approved at reduced densities from the County General Plan. The results of this cursory analysis indicate no discernible trend. It was clear that in the past four years, for whatever reasons – market slow-down, recession, lack of land availability, lack of services, etc. - there were very few residential development applications requiring major discretionary approval from the County. In 1988, only 15 such projects were evident; 21 in 1989; 25 in 1990 and 20 for part of 1991. Some projects, particularly smaller, awkward, in-fill subdivisions, have been approved at reduced densities because of lack of basis infrastructure and services to support the higher unit numbers. However, overall no clear trend was evident from looking at Planning Commission and Board of Supervisors decisions for this small sample size.

It is quite clear from this analysis that in the past two years, housing projects which contain a substantial affordable component have been processed expeditiously typically at higher densities than underlying zoning on General Plan requirements. Paloma del Mar in the Pajaro Valley was approved for 130 units (65 units affordable) on a site which would previously have allowed 92 units by using density bonus provisions. The 39-unit Greenfarm Affordable housing project received a re-zoning and approval in less than 8 months time. The O'Neill Ranch project in Soquel is currently planned for 100 units of affordable housing on a site previously zoned for special use. Letters from developers who have been through the County's permit process recently for affordable housing are in Appendix #8.

HOUSEHOLDS WITH SPECIAL NEEDS

In evaluating household information, the State Department of Housing and Community Development suggests that there are six types of households that may have special needs in regard to housing:

- | | |
|-----------------------------|--------------------------|
| 1. Senior Households | 4. Disabled Households |
| 2. Single Parent Households | 5. Farmworker Households |
| 3. Overcrowded Households | 6. Homeless Households |

An analysis of each of these household types and their special needs is provided below.

Senior Households

Senior households have special housing needs, including affordable housing, physically accessible housing and specialized personal and medical care. In addition, as people live longer and fuller lives, there is a need to provide a spectrum of housing opportunities for senior households that includes services for the "active" as well as the "frail" older adult.

For purposes of this discussion, "senior" indicates a person 60 years or older, unless otherwise noted. There were approximately 33,428 persons 60 years or older in Santa Cruz County, incorporated and unincorporated areas (1990 U. S. Census). These seniors represent approximately 15% of the total County population. In 1980, seniors comprised 17% of the County's total population (32,895 seniors); therefore, the percentage of seniors in the Countywide population has decreased over the last 10 years. The actual number of seniors, however, has remained relatively constant in Santa Cruz County from 1980 to 1990. In looking at the unincorporated area of the County only, there were 18,607 persons over the age of 60 years according to the 1990 Census data.

While the number of people who are 60 years of age or more has remained relatively constant during the last 10 years, there has been an increase in the number of persons who are 85 years of age or older. In 1980, there were 2,674 persons over the age of 85 years in the County (incorporated and unincorporated areas); by 1990, however, that figure had increased to an estimated 3,059 persons. It is expected that seniors will continue to represent an important segment of the County's population. A 1990 study entitled "A Study of Congregate Living Needs in Santa Cruz County" estimates that the County's senior population will reach 34,900 by 1995. ("Senior" in this instance is defined as 65 years and older.)

The 1989 Loma Prieta earthquake was especially devastating for the senior population of Santa Cruz County. In all, it is estimated that 299 seniors were displaced due to the earth-

quake. In the City of Santa Cruz alone, 385 people were permanently displaced from Single Room Occupancy (SRO) quarters; of those, 249 persons were seniors. These SRO units traditionally provided affordable housing opportunities for very low and lower income households. In addition, it is estimated that 500 seniors living in mobile homes throughout the County were affected by the 1989 earthquake. Of those 500 seniors, approximately 10% were in need of replacement housing. In 1990, the Federal Emergency Management Agency (FEMA) awarded approximately \$6 million dollars to the County of Santa Cruz to assist in replacing some of the housing lost as a result of the earthquake. These funds are to be used to rehabilitate residential motels, single room occupancy and community service centers which provide housing for lower income households. Projects in the Cities of Santa Cruz and Watsonville as well as in the unincorporated areas of the County are eligible to apply for these funds.

Existing Residential Opportunities for Seniors (Unincorporated Areas)

Rental Housing :

There are various different types of rental housing opportunities available for seniors including market rate rental units, subsidized rental units, congregate care facilities, residential care facilities, accessory units and shared housing options.

● Market Rate Rentals

Standard one bedroom apartments in Santa Cruz County were renting for \$630 in the Fall of 1990, while the average rent for studios was \$540 per month.

● Subsidized Rentals

If a senior household cannot afford to pay market rents, there are subsidized rental units in Santa Cruz County; however, demand for these units exceeds the available supply. According to data from the Santa Cruz County Housing Authority, there are 1,236 seniors on their waiting list for subsidized housing assistance. This assistance is provided in the form of Section 8 certificates or vouchers, which covers a portion of their monthly rent. To qualify for this assistance, the maximum annual income in 1990 for a one person household was \$16,150 and for two persons was \$18,450.

In addition to Section 8 rental subsidy assistance, there are specific housing developments that are subsidized and have affordable rents. Some of these developments are for seniors only, while others contain senior as well as family units. Listed below are the subsidized developments that are located in the unincorporated areas of the County. Only those units appropriate for senior households are identified by number and type of units.

Subsidized Senior Housing Projects in the (Unincorporated) County

Volunteers of America	1635 Tremont Dr., SC	19 studio units, 56 one bedrooms
Elizabeth Oaks	1460 Jose Ave., SC	48 one bedrooms
Pajaro Vista	1955 Pajaro Ln, Wats.	105 one bedrooms
Seapine	1806 Sumner Ave., Aptos	6 one bedrooms
Seaside Apts	29th & Brommer, SC	16 one bedrooms
Seascape Sr.	1860 Via Pacifica, Aptos	20 studios, 60 one bedrooms
Villa San Carlos	2500 Soquel Dr., SC	56 one bedrooms

The units listed on the previous page total 386 units. Managers of all of these housing developments report 100% occupancy and waiting lists of 1-2 years.

● **Congregate Living Facilities**

In addition to "traditional" rental units, there are also congregate living facilities in Santa Cruz County. These facilities typically are "apartment-like," in that each household has a single living unit with kitchen and bathroom facilities but there is also a common dining facility with at least one meal provided. In addition, there may be other amenities offered that include transportation for shopping and cultural events, crafts facilities and meeting rooms. There are currently (1990) three congregate living facilities in Santa Cruz County: Oak Tree Villa in Scotts Valley, La Posada in the City of Santa Cruz and Dominican Oaks in the unincorporated area of the County (Live Oak). These three facilities comprise a total of 558 units: 199 studio/alcove units, 343 one bedroom units and 16 two bedroom units. Oak Tree Villa is a market rate development with 1990 monthly rents (including meals) ranging from \$900 for an alcove unit to \$1457 for a one bedroom unit. La Posada contains mostly subsidized units with some market rate units.

Dominican Oaks, located on Paul Sweet Road adjacent to Dominican Hospital, provides a total of 206 congregate living units, 52 of which are "affordable" based on rates established by the Housing Authority. On the average, affordable units range from \$524 to \$776 per month. As of 1990, monthly market rents for "non affordable" congregate units were \$1450-\$1560 (one bedroom apartments) and \$1730-\$1810 (two bedroom apartments).

● **Residential Care Facilities**

There are also residential care facilities available in Santa Cruz County. Residential care facilities differ from congregate living projects in that they are usually group living quarters with staff supervised meals, housekeeping and personal care. An example of a residential care facility in Santa Cruz County is "The Mansion" which is located off of Glen Canyon Road, near Scotts Valley. This facility contains ten studio apartments and two larger units of approximately 600 square feet. Rents range from \$1500-\$2000 for a studio unit, and \$1800-\$3000 for the larger (600 square feet) units. "Sunshine Villa," located in the City of Santa Cruz, is a new residential care facility. This facility is scheduled to house approximately 150-160 persons.

● **Accessory Units**

Accessory Units are another housing option available to seniors. These units are small, second units added to an existing single family property and are designed for one or two person households. Traditionally, accessory units have often been called "granny flats" and were originally developed in other countries to provide housing for grandparents.

There are three types of accessory units permitted in Santa Cruz County: accessory units, second affordable units and accessory second dwelling units. The latter two types of units are deed restricted for thirty years as affordable units, and priority is given to seniors above other applicants who are eligible. Like many other California communities, accessory units in Santa Cruz County are not as popular as originally expected. There are many possible explanations but one of the most significant is that of cost. Projected construction costs vary from \$50-90 per square foot for new construction and \$30-60 for remodelling.

These costs often do not "pencil out" when compared to projected rent revenues. Unless there are sufficient incentives to a property owner (i.e. attractive financing, the desire to provide housing for a family member, etc.), the costs of providing accessory units may outweigh any perceived benefits.

● **Shared Housing**

Another option available to seniors is shared housing. In a shared housing arrangement, senior households are matched with other senior or non-senior households to share a dwelling unit. For example, a single senior who lives in a two bedroom house could rent out one of her/his bedrooms to another single senior household. The County of Santa Cruz contributes funding assistance to Senior Network Services to provide a shared housing counseling program which matches compatible households. From 1985 through mid-1990, Senior Network Services had completed 511 matches, with 244 of those matches being in the unincorporated areas of the County.

Owner Occupied Housing for Seniors

● **Single Family Residences**

1980 U.S. Census data indicates that 75% of the County's elderly owned their own home, compared to 49% for County residents as a whole. As part of the 1990 congregate living study, a survey was completed by approximately 1% of the County's senior population. According to the survey results, 63% of the respondents owned their homes. It is assumed that many of these households purchased their homes years ago, and have since built up equity that could potentially be used for future living expenses. There are two seniors-only, owner occupied housing developments in the unincorporated area of Santa Cruz County. Casa de La Familia is located on 7th Avenue (Live Oak) and includes 23 one bedroom townhouses for sale to qualified lower and moderate income seniors. Vista Prieta is the second development, also located off of 17th Avenue, and includes one bedroom condominiums available for sale to qualified seniors 62 years and older.

● **Mobile Homes**

Mobile Homes represent an important housing resource for seniors. There were 3,480 mobile homes in the County as of January, 1990 and the majority of these were located in mobile home parks. Most County parks have minimum age requirements which restrict park residents to 45 years, 55 years, or 62 years and older. To ensure their continued use as mobile home parks, the County adopted Chapter 13.30 of the County Code. This prohibits mobile home park owners from converting parks to other uses. Further, the County also adopted a Mobile Home Rent Stabilization Ordinance, which regulates rent increases. One area of concern with mobile homes is to ensure that they are maintained and repaired when necessary. The County's housing rehabilitation program (HAND) does provide financial and technical assistance for rehabilitation of mobile homes and the use of this assistance should continue to be encouraged as well as any other possible funding sources or actions.

Future Housing Needs of Senior Households

☒ **Affordable Housing**

The most important need in terms of housing for seniors is the need for more affordable housing. In fact, the local Area Agency on Aging in their 1989-1993 Plan has identified af-

fordable housing as their number one priority for future program planning. The need for affordable housing is not surprising, given that many seniors are on fixed and/or limited incomes with minimal cost of living adjustments. Results from the 1990 Congregate Living Study indicated that an overwhelming 92% of the respondents felt that seniors do not have adequate access to affordable housing.

✓ Variety of Housing Types

Another housing need of seniors is the provision of a variety of housing opportunities and types. The term "seniors" includes active younger seniors, as well as seniors who are in their 70s, 80s and 90s who may require more personalized care. Therefore, affordable housing developments catering to the active, independent senior are needed as well as specialized facilities that provide more individualized care.

Recommendations for Senior Households:

- * Improve the range of available housing opportunities through planning and zoning provisions; such as accessory units, senior housing developments, shared housing opportunities, etc.
- * Monitor the number of new congregate living units developed in the County, allowing a range of between 175-225 units in the 1991-1996 time frame.
- * Support the development of a "Home Equity Conversion Counseling Program" and a "Consumer Housing Information Service for Seniors" by the Area Agency on Aging.
- * Continue to maintain the existing inventory of subsidized housing units and rental subsidies available to seniors.
- * Continue to allow medium to high density residential densities in appropriate locations to accommodate senior housing.
- * Consider designation of affordable senior housing sites at appropriate locations.
- * Continue to retain and maintain existing senior-only mobile home parks and to encourage maintenance of existing mobile homes.

Single Parent Households

Single parent households are comprised of one household head, typically female, and children. Nationally, the number of children living with only one parent has almost doubled from 1970 to 1988. In 1970, there were 8.2 million children living with a single parent; by 1988, that figure had increased to 15.3 million children living in single parent households. (Source: "The State of the Nation's Housing," by the Joint Center for Housing Studies at Harvard University, 1990). Reduced household income levels and poverty rates are particularly significant for this type of household. Table 2.10 on the following page demonstrates the high incidence of single parent households in poverty compared to other household types.

Table 2.10 U.S. Poverty Rates by Household Type

Household Head (Under 65 Years)	1960	1974	1980	1989
Single	33.2	18.6	17.6	15.7
Married With Children	18.7	6.5	8.8	6.9
Married W/O Children	12.5	4.5	6.1	3.7
Single Parent With Children	57.6	36.1	35.6	37.9
Other Households	26.4	14.7	16.0	13.1

Source: "The State of the Nation's Housing 1990", Joint Center for Housing Studies at Harvard University

As the chart above illustrates, single parent households with children have consistently had the highest poverty rates of all households (with household heads under 65 years).

In California, it is estimated that 24% of all families are single parent households, with the majority of those households being female headed. (Source: California Statewide Housing Plan, 1990, Department of Housing and Community Development) The 1990 U.S. Census data for Santa Cruz County indicates that there were 2,773 households in the unincorporated areas which were headed by a female and had 1 or more persons under the age of 18 years in the household. Census data from 1990 regarding household income levels was not available at the time that this Element was prepared. However, 1980 U.S. Census data can provide some perspective. The 1980 County mean income for female headed families with children under 18 years was \$10,197. In contrast, the mean income for married couple families with children under 18 years was \$28,025.

Future Housing Needs of Single Parent Households

✓ Affordable Housing

As the data in the paragraph above indicates, single parent households in Santa Cruz County had lower mean incomes than married couple households in 1980 and it is expected that 1990 U.S. Census data will continue to reflect this situation. With more limited household incomes, the need for affordable housing units is especially critical.

✓ Adequately-Sized Housing

An additional need of single parent households is appropriately sized housing. Single parent households often resort to living in units that are too small for their households (i.e. studios or 1 bedroom units), resulting in overcrowded housing situations. Therefore, there is a need for adequately-sized and affordable units for single parent households.

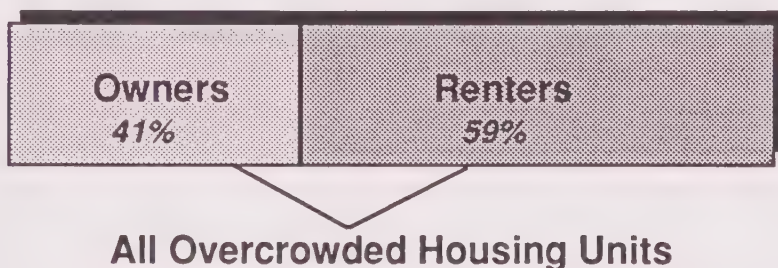
Overcrowded Households

An overcrowded household is one in which there is more than one person per room in the living structure (usually "room" is defined as any room in the structure except for kitchen or bathrooms). In 1989, it was estimated that 7% of all California households lived in overcrowded housing (Source: California Statewide Housing Plan Update, 1990, Department of Housing and Community Development). According to 1990 U.S. Census data, the County's unincorporated area reflect the statewide average in that 7% of all occupied housing units in the County were overcrowded.

The 1990 data indicate that there were 3,429 overcrowded housing units in the County's unincorporated areas. Of this total, 1,421 households (41% of total) were living in owner-occupied housing units and the remaining 2,008 households (59% of total) were renter-occupied housing units.

Table 2.11 Overcrowded Households
Santa Cruz County (Unincorporated Areas), 1990

47,985	-	Total Occupied Housing Units
3,429	-	Overcrowded Occupied Housing Units



Source: U.S. Census, 1990

Large families are often overcrowded households because of the lack of adequately sized housing units. 1990 U.S. Census data indicate that there were 5,027 large families (family households of 5 or more persons) in the unincorporated areas of the County.

Future Housing Needs of Overcrowded Households

☒ Adequately-Sized Units

The most obvious need, of course, for large and overcrowded households is the need for housing units that are large and adequately sized for the family.

☒ Affordable Housing

Households typically do not choose to live in overcrowded conditions, but rather are forced to when they cannot afford a unit that is appropriate in size. Therefore, affordable housing that is adequately sized is a critical housing need for overcrowded households.

Disabled Households

Disabled households include households who have family members that are disabled because of physical handicaps or because of mental illness or disability. It is possible, of course, that some individuals have both a physical and mental disability but, for purposes of this analysis, these two types of disability will be analyzed separately.

Disabled Households: Physically Challenged

The State of California, Department of Rehabilitation, tracks data regarding the number of individuals with disabilities in California. Their most recent data is from 1982, and contain estimates of persons with disabilities by type. According to that data, there were 13,320 individuals in the County (incorporated and unincorporated areas) with disabilities. These disabilities include physical disabilities as well as other disabilities.

The Department of Rehabilitation is currently funding a new Statewide survey to update their 1982 data. Until that information is available, the Department recommends that communities adjust the figures above by 2% annually to estimate the current number of persons with disabilities. If the 1982 data for the County of Santa Cruz was updated, the total would be 15,501 persons with a disability, or 6.6% of the County's total 1990 population.

The most significant housing need for persons with a physical disability is accessible housing that is affordable. Housing that is accessible includes units that are modified for use by persons with a physical handicap. Improvements to a unit that make it accessible include widened doorways and hallways, ramps, grab bars in the bathroom, reduced height counters, etc. Housing is a critical issue for physically challenged individuals. Community Resources for the Disabled (CRD) states that 50% of all inquiries received by their agency are for housing assistance.

Disabled Households: Mental Illness or Disability

Households with a member who has a mental disability include those disabled by a psychiatric illness (usually Schizophrenia, Schizo-affective Disorder, Bipolar Disorder or Major Depression) or by other brain conditions such as Alzheimers disease, AIDS-related infections and conditions related to brain trauma.

The Mental Health Advisory Board and Board of Supervisors of Santa Cruz County approved a "Mental Health Housing Plan" in 1990 which provides valuable information on the needs of the psychiatrically disabled. The "Mental Health Housing Plan" highlights housing as a particularly significant issue for individuals with psychiatric disabilities. In fact, the plan notes that "... the (housing) problem has become so serious that a major change in priorities for mental health funds is being considered, both locally and on a statewide level, away from treatment and toward development and control of housing resources." This report notes that there are four specific problems that prevent individuals with psychiatric disabilities from successfully accessing and retaining housing. These include:

1. lack of affordability,
2. initial move-in expenses,
3. social stigma, and
4. lack of support.

The report notes that affordability is a particularly significant issue, since most of these individuals are unable to work due to their disability and rely on Social Security payments or their families for financial support. Typical income from Social Security for disabled persons is \$7,560 annually or \$630 per month. Current market rate rental for a studio is \$519 per month, leaving \$111 for all other expenses. In addition, many disabled persons subsist for two or more years on County administered General Assistance of \$341 per month while awaiting approval of Social Security payments.

Many of the existing housing resources for the psychiatrically disabled are provided by STEPPING OUT, a private non-profit contract provider for the County. STEPPING OUT had 65 beds in its system as of early 1991. Twenty new beds will be added in 1991 and 1992. Of the existing 65 beds, 10 are located at Transition House, a facility providing housing for 3 to 12 months in tandem with training in independent living skills. Fifty five beds are located in houses and apartments scattered throughout the County. Fourteen beds in 3 of these houses are reserved to serve homeless psychiatrically disabled only. Of the existing beds, 38 are in facilities owned by STEPPING OUT and 27 are rentals which are gradually being lost to this use as rents rise faster than the Social Security income of the disabled.

In addition to the resources provided by STEPPING OUT, there are licensed residential care homes (board and care) in the County, which provide 106 beds for psychiatrically disabled persons. In these facilities, 2 unrelated adults normally share 1 bedroom and all meet the definition of overcrowded housing. The final resource is Section 8 rental subsidies through the Housing Authority. The Housing Authority reports that, as of October 1990, there were 20 Section 8 "aftercare" certificates for the County (9 of which are being used in the unincorporated areas of the County). Of these 20 certificates, the Housing Authority reports that 12 are being used by psychiatrically disabled clients.

**Table 2.13 Housing Resources, 1991, Psychiatrically Disabled Individuals
Santa Cruz County (Unincorporated and Incorporated)**

STEPPING OUT Projects:

<i>Transition House</i>	10 Beds
<i>Cooperative Hsng.</i>	55 Beds
<i>Emeline Avenue</i>	20 Beds

HOUSING FOR INDEPENDENT PEOPLE (All Projects in Planning Stage)

Jessie Street	10 Beds	Resetar Hotel	10 Beds
Jetsen Hotel	42 Beds	Maciel Street	21 Beds

Residential Care Homes: 106 Beds

Section 8 Certificates (Aftercare): 20 Certificates (12 Used by Psychiatrically Disabled)

Source: "Mental Health Housing Plan", 1991, Adult Planning Committee on Housing

A total of 256 beds currently exist or are under development for the psychiatrically disabled in incorporated and unincorporated areas of the County. The "Mental Health Housing Plan" of 1990 estimated a need for an additional 306 beds in 1990 and for an additional 58 more beds by 1992. County Mental Health system staff now suspect that the Plan's estimate of

640 beds needed by 1992 falls short of the real need. A more comprehensive needs assessment will be made in 1991-92. Seven hundred individuals have already been identified in the County who are both psychiatrically disabled, chronically homeless and in need of housing. Other psychiatrically disabled individuals are housed, but are living in situations so inappropriate that the housing situation is destabilizing their illnesses. Examples of very inappropriate housing are expensive rentals which do not allow enough funds for food or for transportation to necessary treatment, or some living situations where there is marked exploitation or intolerance of symptoms of psychiatric illness.

It is difficult to quantify the exact number of individuals in the County who have psychiatric disabilities. The County Mental Health System provided services to a caseload of approximately 4,069 individuals in fiscal year 1987-88. Approximately 75% of this caseload were adults; 48% of the total had serious psychiatric disabilities requiring sustained treatment and community support. The 1990 Mental Health Plan reports that a common measure used by mental health professionals is that 2% of the general population is seriously mentally ill. If this figure is applied to the County's total 1990 population, it would indicate that 4,707 County residents had a serious mental illness.

County Mental Health Services reports that the kind of housing needed by the psychiatrically disabled includes a range of housing types. Some persons need and prefer housing with peer or staff support services available in connection with the housing. Others prefer the same kinds of housing that single adults usually prefer: integrated housing consisting of studios or small apartments with individual bath and cooking facilities. Many want this housing to be within walking distance of other psychiatrically disabled households. This is a concept called "clustered housing," which makes possible the development of supportive communities. These have proved to be very effective in helping the psychiatrically disabled to sustain their housing situations in other counties.

Less than 20% of psychiatrically disabled persons have cars; they therefore, need access to public transportation and other services. They also need access to housing in a variety of locations throughout the County. Almost all psychiatrically disabled persons have monthly incomes between \$341 and \$630 per month; they need housing they can afford. The most critically needed kinds of housing are:

1. Studio, SRO (some with Congregate Facilities,) and small Apartment Housing:

Two forms of this housing is needed:

- a. Projects specifically for the psychiatrically disabled where on-site supportive services will be provided by the mental health system. The need in this category includes a transitional facility for homeless mentally ill and facilities for persons leaving insitutional settings.*
- b. units in the housing stock for the general population, many of them preferably in clusters within walking distance of each other.*

2. Dual Diagnosis (Psychiatric Disability and Substance) Housing: This is also known as "clean and sober" housing.

3. Congregate housing: Housing providing intensive social rehabilitation programming 7 days a week for up to 2 years.

4. Congregate Transitional Housing: Housing for young adults preparing for independence. Many of the occupants will be persons required to leave foster care prematurely by the fact of turning age 18.

5. (Maintenance of the current)106 Residential Care beds: Beds which provide 24 hour

supervision as well as shelter. Some of these are endangered due to inadequate financing.

Mentally Disabled: Organic Brain Disorders

The second group of mentally disabled individuals are those with organic brain disorders, which result from such illness as Alzheimers Disease or Acquired Immune Deficiency Syndrome (AIDS). These individuals are not included as part of the population group served by the County Mental Health Services. There is currently (1991) no housing facility in the County for these individuals; however, a need has been identified for such a facility by the Community Resources for the Disabled. The County has provided \$522,000 in FEMA funds in 1991 for the rehabilitation of the Garden Residential Care Facility for the elderly. This 51 bed facility is scheduled to open in 1992 and will provide housing and related services to elderly persons with Alzheimers or related dementia. A study of the housing needs of HIV+ individuals (which includes those who may develop AIDS and organic brain disorders) has been completed by "Housing for Independent People" (HIP) that identifies the need for specialized housing and necessary support services for such clients.

Disabled Persons, whether they are physically or mentally disabled, typically have very low incomes. It is important to recognize that disabled persons are in a special very low income category with minimal monthly incomes available for housing and other necessities. For example, in 1991, the maximum public disability income assistance ranged from \$4080 per year for a person receiving General Assistance to \$7560 per year for Social Security assistance.

Recommendations for Disabled Households:

- 1. Planning Housing for the Psychiatrically Disabled:** County Mental Health Services should conduct a more comprehensive housing needs assessment and update the Mental Health Housing Plan of 1990.
- 2. Establishment of a Housing Development Priority for Very, Very Low Income Disabled Persons:** Development of housing opportunities for disabled persons with incomes at the level of public disability income should be made a high priority.
- 3. The Very, Low Income Category:** Persons on disability level income should be identified separately from very low income level persons. (The very low income cut off is 2 to 4 times higher than disability income.)
- 4. The Inclusionary Ordinance:** If possible, consideration should be given to writing the County's Inclusionary Ordinance in such a way as to provide incentives for developers to build rental housing which persons on a public disability income can afford.
- 5. Individual Housing Subsidies (Section 8 and Moderate Rehabilitation):** All possible means for obtaining or providing increased individual housing subsidies for the psychiatrically disabled should be explored. Individual subsidies are a very flexible, practical and constructive method of delivering the necessary subsidization of housing for the psychiatrically disabled.
- 6. Cooperative Financing Efforts:** Explore creative cooperation between government units, developers and financial institutions, with the goal of finding ways to finance the devel-

opment of housing for the psychiatrically disabled.

7. Rehabilitation Loans for Housing for the Disabled: Address and maximize the means of assisting willing housing developers to take advantage of housing grants providing 0% to 3% interest rehabilitation loans. The loans should be available for rental as well as owner occupied housing.

8. Density Bonuses: Support increased density allowances to developers of housing for groups of psychiatrically disabled persons, who tend to live alone in single person units.

9. Parking Space Requirements: Support reduced parking space requirements for housing projects for groups of psychiatrically disabled persons. A maximum of 20% of the psychiatrically disabled have cars. Parking space requirements can be surprisingly expensive in terms of their total impact on a project.

10. Rental Deposits: Consider development of a County-wide fund for rental deposits as well as continuing the foreclosure fund. A rental deposit fund could serve very, very low income persons who are threatened with homelessness due to the lack of a rental deposit, or who are unable to become housed for the same reason. With rental deposit assistance, these people would have an income to sustain on-going monthly expenses. In most instances, the fund could function as a guarantee to the landlord while the recipient makes small monthly payments.

11. Planning Process Modification: Consider accelerated planning processes for developers of affordable housing or of projects for persons on disability level incomes. Affordable housing projects face special difficulties in regard to economic feasibility. Developers of projects for the very, very low disability level income population usually have the most difficult time in planning for overall feasibility. Fast tracking or confining the planning process to 6 months would be helpful to affordable projects.

12. Vacant and Underutilized Land: Identify vacant and underutilized land in the unincorporated County. Providing information on available, affordable housing sites would be very helpful to affordable housing developers, as locating land is a stumbling block to the development of projects. Housing for Independent People (HIP) and Stepping Out both report great difficulty in locating land for projects, even when their projects have already been funded. Stepping Out is building a 20 unit project on County land in the Emeline Street area because no other feasible site was located during the time period within which the organization was required to act. HIP staff spent over a year trying to obtain land for the 21 unit Casa Linda Project before one possible site was located.

13. Discriminatory Practices: The Planning Department should briefly review the main elements of the National Fair Housing Act and provide information about the Act to the Planning Commission as needed. Misunderstandings about the law exist throughout the County. The Planning Department is probably in a good position to promote knowledge of the law.

14. Accessible Improvements: Continue to allow accessibility improvements as eligible work items in the County-sponsored Housing Rehabilitation program.

Farmworker Households

Farmworker households have special housing needs for several reasons. First, their household income levels are typically in the very low or lower income range. Agricultural workers have traditionally been paid the lowest wage rates in any industry and their work can be seasonal or sporadic in nature. Farmworker households are also in need of adequately sized housing units. According to the County's 1985 Housing Element, 30% of all farmworker households have household sizes of 5 or more persons. Many units originally constructed for farmworkers were designed for seasonal occupancy by single men. These units are now being used as year round housing for larger sized households.

The housing needs of farmworker households is an important issue in the County. Revisions to the County's farmworker housing ordinance were adopted by the Board of Supervisors in 1991. The changes were intended to clarify existing regulations and expand the opportunities to construct farmworker housing. The ordinance amendments are summarized in Appendix #18.

Current Estimates of Farmworker Households

In Santa Cruz County, agriculture is a major industry and farmworkers are a vital component in keeping that industry viable. In 1990, the crop value in Santa Cruz County exceeded \$196 million. Crops that do particularly well in Santa Cruz County are strawberries, head lettuce, raspberries, flowers (roses, carnations), apples and brussel sprouts. These crops, and the type of terrain on which they grow, make Santa Cruz agriculture very labor-intensive. The majority of agricultural industry occurs either in the Pajaro Valley (south county) area or in the Davenport coastal area (north county).

According to the State Employment Development Department, there were 5,720 persons employed in agriculture in Santa Cruz County in September, 1990. Of this total, 4,850 persons were regular and 870 were seasonal employees. It is important to note that the number of seasonal employees has decreased in recent years, while the number of regular employees has increased. In 1986, the State Employment Development Department reported that there were 4,550 employed in agriculture and that 2,080 of those were regular employees and seasonal employees accounted for the remaining 2,470 persons. Therefore, it appears that the overall number of agricultural employees has increased slightly since 1986 but, more important, agricultural employees in the County now appear to be permanent employees rather than seasonal or migrant.

Housing resources for these agricultural workers are scarce in Santa Cruz County. In 1991, there were two housing developments and 25 registered labor camps specifically oriented to farmworker households in Santa Cruz County. "Tierra Alta" is operated by the Housing Authority of the County of Santa Cruz and provides year-round housing for 36 farmworker households in the Pajaro Valley. In addition, the Housing Authority also manages the "Buena Vista" development for the State Office of Migrant Services. Buena Vista provides housing for 106 families on a seasonal basis only. There have been problems with the sewage treatment facility at Buena Vista in past years and there is a need in the 1991-1996 time frame to repair or replace the sewage treatment facility. The County has received notification that it has been awarded a CDBG "Planning and Technical Assis-

tance" grant to evaluate the sewage treatment facility at Buena Vista and a 1991 CDBG grant for funds to improve the facility. In addition to the two housing developments managed by the Housing Authority, there are also 25 privately owned registered labor camps providing housing for 540 employees. Approximately 14 of these camps are located in the south county area and another 11 are in the north coastal area. A map showing the location of the private farmworker housing camps listed below is located in Appendix #17.

**Table 2.14 Farmworker Housing Resources, 1991
Santa Cruz County**

Housing Managed by the Housing Authority:

<u>Name</u>	<u>Location</u>	<u># of Units</u>	<u>Type</u>
Tierra Alta	South County	36	Permanent Housing
Buena Vista	South County	106	Seasonal Housing
TOTAL		142 Units	

Private Farm Labor Camps:

<u>Name</u>	<u>Location</u>	<u># of Employees</u>
1. Bontadelli Bros.	South County	6
2. Bontadelli Bros.	South County	12
3. A.P. Farms, Inc.	South County	45
4. Mario Rondoni	North Coast	18
5. Sunset Farms	North Coast	22
6. R. & D. Ranch	North Coast	10
7. Murphy Crossing	South County	32
8. Don Bargiacchi	North Coast	11
9. John Colombini	North Coast	5
10. Seaside Ranch	North Coast	10
11. P. Bargiacchi & Son	North Coast	10
12. Western Ranch	South County	6
13. Comelli Enterprises	South County	45
14. Skikuma Brothers	South County	25
15. Bencich Farms	South County	40
16. Pfyfer Bros.	North Coast	16
17. Dellamora Farms	North Coast	27
18. Lakeview Apartments	South County	40
19. Rancho San Andreas	South County	32
20. Ocean Cliff Ranch	North Coast	20
21. Fambrini & Co.	North Coast	14
22. Sakae Camp	South County	8
23. Jones Farms	South County	17
24. Pacific Valley	South County	45
25. J & D Farms	South County	24
TOTAL		540

Future Housing Needs for Farmworker Households

✓ Affordable Housing

As noted earlier in this section, farmworker households are typically one of the lowest paid wage sectors in our economy. 1980 U.S. Census data show that all farmworkers counted in the Census had a median household income of \$11,725. This compared to a median at that time of \$18,423 for all households. (Source: Migrant Farmworker Housing in California, 1988, State of California, Dept. of Housing and Community Development) There is a real need for housing that is affordable to these lower income households. This need is demonstrated by the number of households on the waiting list for housing with the Farm Labor Housing Program operated by the County Housing Authority. In 1990, the Housing Authority reported that there was a waiting list of 480 families waiting for a vacancy in the 36 unit "Tierra Alta" development.

✓ Adequately-Sized Housing

Farmworker families historically have had household sizes larger than the average household size. This necessitates family sized units that will adequately accommodate households of 4 or more persons, typically 2, 3 or 4 bedroom units.

Recommendations for Farmworker Households:

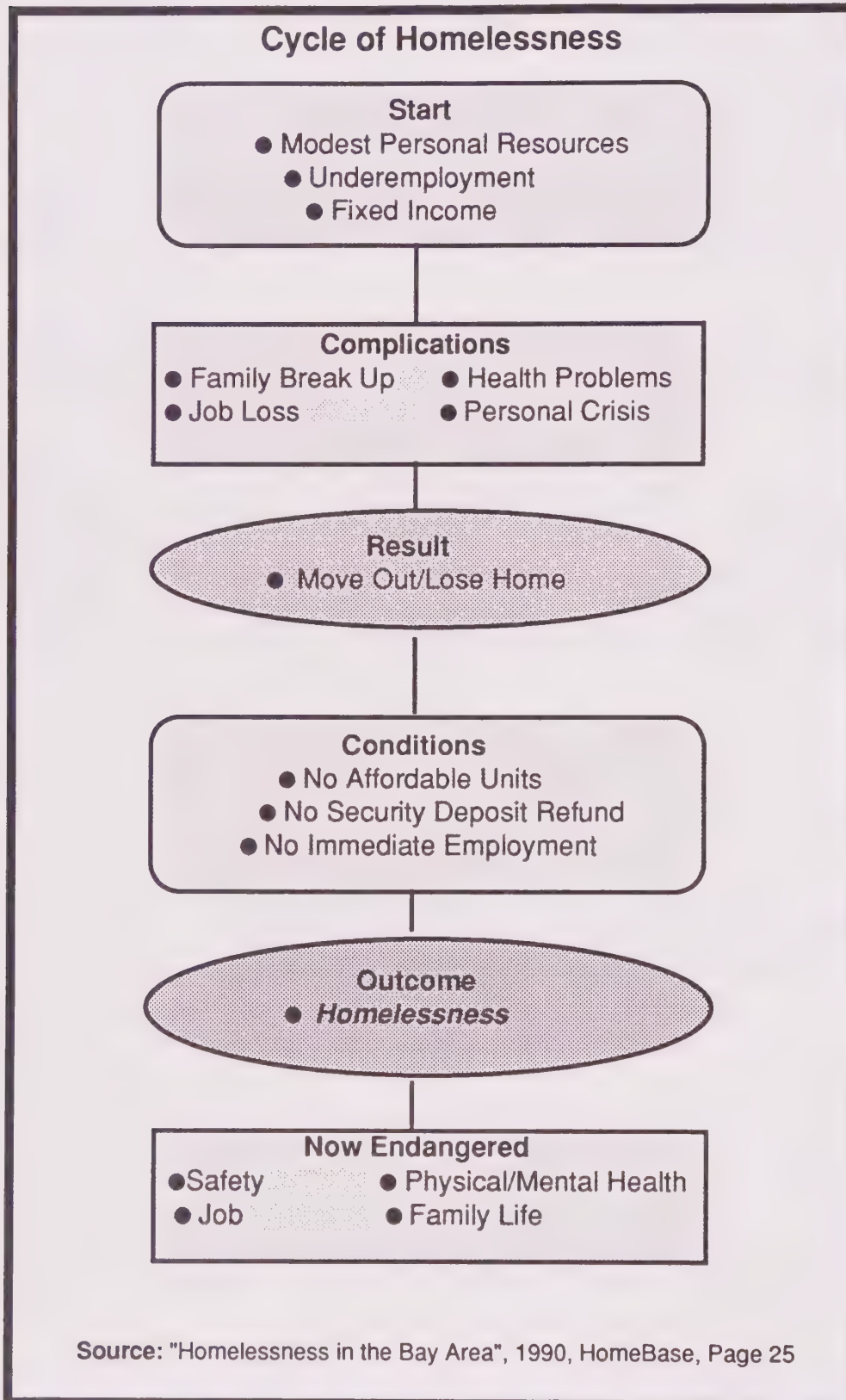
1. Conduct a household and housing needs study of farmworker households, in order to effectively assess their housing needs and develop appropriate actions. The employee needs and characteristics of County growers will be an important study component. In 1991, the County received approval of Community Development Block Grant "Planning and Technical Assistance" and Santa Cruz County Community Foundation funds to conduct such a study during 1991-92.
2. Aggressively explore all funding resources (including local sources such as the Santa Cruz County Community Foundation, as well as state and federal sources) to implement the recommendations resulting from the 1991-92 farmworker study.
3. Explore the potential for assisting additional farmworker housing through reduced development or processing fees, density bonuses on selected non-commercial agricultural sites, priority processing, and designating specific sites in rural or urban areas for farmworker housing units.
4. Work with the Housing Authority, non-profit housing developers, agricultural interests, and for-profit developers to locate sites in the unincorporated County, including non-arable and otherwise non-productive sites for farmworker housing.
5. Provide technical assistance to public and private developers (both profit and non-profit) who sponsor assisted housing and farmworker housing for low or moderate income households.
6. Continue to develop and maintain an inventory of vacant and under-utilized sites which are suitable for housing, for both seasonal and permanent agricultural and farmworker households.

7. Help protect existing farmworker housing from conversion to other uses.
8. Monitor funding sources, including the State Homeownership assistance programs, to determine if County residents can utilize them to purchase manufactured housing, condominiums, or cooperatives recently converted from rental apartments.
9. Assist other organizations, including the Housing Authority, in the acquisition of substandard housing for rehabilitation.
10. Require relocation assistance to be provided to farmworkers displaced as a result of health and building code enforcement that resulted in the closure of camps and farmworker housing.
11. Develop a housing rehabilitation program for farmworker housing located in the North Coast and Pajaro Valley agricultural areas until the need in those areas is substantially met.
12. Encourage the provision of affordable housing opportunities for the County's permanent and seasonal farmworkers.
13. Develop policy changes necessary to facilitate the construction of farmworker housing, including multi-family farmworker housing centers.

Homeless Households

Homelessness is an issue that has surfaced dramatically during the last decade. In Santa Cruz County, the Board of Supervisors and the Cities of Santa Cruz and Watsonville have passed a resolution declaring homelessness as a crisis in the County. One of the primary causes of homelessness is the lack of affordable housing. For the majority of homeless, the cost of securing housing in today's market is a challenge for which many do not have the necessary resources. In addition to the lack of affordable housing, there are two other major causes of homelessness. These are inadequate incomes (either from jobs or from government financial assistance programs) and inadequate social services for preventing or overcoming homelessness. The graphic on the following page illustrates the cycle of homelessness as it relates to these three major causes.

How Does Someone Become Homeless?



Homelessness in Santa Cruz County

The most comprehensive and current information regarding homelessness in the County is contained in the report prepared by the Short-Term Housing Coalition of Santa Cruz County. This report was prepared in the Summer of 1990 and is entitled "Assessment of Shelter and Housing Needs of the Homeless Population of Santa Cruz County." The Short-Term Housing Coalition was part of an original group established by the County of Santa Cruz to address the crisis in housing precipitated by the 1989 Loma Prieta Earthquake. Contained in their report are the results of a survey conducted of homelessness as well as an inventory of existing resources and a summary of recommendations.

The Coalition supervised a survey of the homeless population that was conducted on the night of March 29/30, 1990. The goal of the survey was to count the number of homeless in the County at any one time. (A description of the survey methodology can be found in the Coalition's report.) The effects of the 1989 earthquake were evident in the survey, as approximately 33% of the respondents indicated that they were homeless as a result of the earthquake. The survey data included information from households who were being temporarily housed by FEMA (Federal Emergency Management Agency) as well as homeless or shelterless individuals. The survey results yielded the following information.

**Table 2.15 Homelessness in Santa Cruz County
Results of a One-Night Survey: March, 1990**

1187 Individuals were homeless, shelterless or living in vehicles
723 Individuals were being housed by FEMA
1910 Homeless Individuals Resided in Santa Cruz as of 3/90
(20% of Homeless Individuals were Children)

Households by Type:

73% of Households were Single Men or Women
 16% of Households were Families with Children
 11% of Households were Couples without Children

Households by Ethnicity:

57% of Households were White
 33% of Households were Hispanic
 6% of Households were Black
 4% of Households were "Other"

Household Income:

40% of Households had incomes between 0-\$199 per month
 47% of Households had incomes between \$200-\$749 per month
 13% of Households had incomes over \$750 per month
Only 25% of all households were receiving any type of public assistance

Source: "Assessment of Shelter and Housing Needs of the Homeless Population of Santa Cruz County", Summer, 1990

It is important to note that the estimate of homeless contained in this report is believed to be a very conservative figure. HomeBase, a non-profit support center for homeless policy and programs, recommends that any "one-night" survey number be tripled to yield the number of actual homeless people. If the 1,910 estimate is tripled, it would indicate that there are 5,730 homeless in Santa Cruz County. The Coalition's report notes that the manager of the Interfaith Satellite Shelter Program, which operates both in north and south county, estimates the County's homeless population at approximately 5,000 persons. The Coalition's report suggests that, at a minimum, the estimate of homeless be increased by at least 10%. That would yield a total estimate of 2,270 homeless, with 20% or 450 of that number being children.

In interviews conducted with managers of existing shelter projects in the County, the following groups of homeless were identified as being the most in need of services:

1. Families with children, and/or single parents
2. Mentally and Physically Disabled, and "Dual Diagnosed" (mentally ill and substance abuse)
3. Drug and Alcohol Abusers

According to information in the 1990 Mental Health Housing Plan, 35% of the homeless have serious psychiatric disabilities. If approximately one-third of the homeless do have serious mental disabilities, then this would reinforce the need as noted earlier for more affordable housing for homeless individuals with mental disabilities.

Existing Resources for the Homeless

There are a variety of resources available to homeless households in the County. A complete listing of resources is located in Appendix #9 of this Element. Resources that pertain to housing for the homeless can be analyzed according to the following service categories:

- emergency shelter programs,
- transitional shelter programs, and
- additional support services.

Emergency Shelter Programs

There were nine shelter programs operating in Santa Cruz County during 1990. These programs provided a total fall/winter capacity of 286 beds. Five of the shelters are located in north county, three in south county and one (the Interfaith Satellite Shelter) provides services in both north and south county.

The County of Santa Cruz Human Resources Agency prepared a briefing paper in January, 1991 on the unmet needs of the homeless population. In that paper, the overall conclusion is that the number of emergency shelter beds during fall/winter months is "generally adequate" to meet the demand but that there may be a need for additional beds during the spring and summer seasons. Further, the paper notes that there is an unmet need for more shelter space for families with a father present. The summary listing on the following page identifies the nine existing shelter operations in Santa Cruz County and also describes the type of households served by the shelter.

North County Shelters:

	<u># of Beds</u>
1. Jesus, Mary and Joseph Home (All households) 132 Lennox, Santa Cruz	14
2. River Street Shelter (Primarily single individuals, space for mentally ill) 733 River Street, Santa Cruz	30
3. New Life Center (All households, priority to families) 707 Fair Avenue, Santa Cruz	25
4. St. Francis Catholic Shelter (All households) 205 Mora Street, Santa Cruz	15
5. Women's Crisis Support Center (Women with children only) Office: 1025 Center Street (Shelter is at an undisclosed location)	16

South County Shelters

6. New Life Center South (Primarily serves families with children) 2714 Freedom Blvd, Watsonville	16
7. Pajaro Valley Shelter Services (Women with children only) 115 Brennan Street, Watsonville	18
8. Pajaro Rescue Mission (Men only) 111 Railroad Avenue, Watsonville	24

North and South County Shelters

9. Interfaith Satellite Shelter (primarily single adults) Office: 2601 Park Avenue, Aptos	<i>Fall/Winter</i>	128
	<i>Spring/Summer</i>	<u>15</u>

TOTAL BEDS:

Fall/Winter	286
Spring/Summer	173

Transitional Housing

Pajaro Valley Shelter Services operated the County's only transitional shelter program in 1990. Their facility serves approximately 16-22 households, and provides housing as well as support services to help clients move into permanent housing.

There is no transitional housing facility in north or mid county. One of the major needs identified by the County's Human Resources Agency in their "Second Briefing Paper on Homeless Services and Service Gaps", (February, 1991) is the need for more transitional housing units. This report identifies an initial goal of transitional housing facilities capable of housing 40 homeless families and 20 single individuals. For family units, the report estimates that the greatest need (35 family units) is in the mid to north county area and that the remaining 5 family units should supplement Pajaro Valley Shelter Services' existing units in the south county area. The report does not identify a preferred location for the 20 single person units. At the time that this Housing Element was prepared (1991), the Housing Authority had been awarded funding for a 6 unit transitional housing facility in the Live Oak area. This facility will be a positive and important step forward in providing additional transitional housing opportunities.

County Assistance to Provide Homeless Resources:

As noted earlier in this section, the County's Board of Supervisors has formally declared homelessness as a crisis in the County. The County's Human Resources Agency has developed useful information on the unmet housing needs of the homeless. The Agency and the Board of Supervisors has actively worked with non-profit groups and organizations in providing housing assistance for homeless persons. Further, in 1991 the Board allocated Redevelopment funds to the River Street Shelter as part of the County's contribution to assist in operation of that shelter. In addition, the County will participate in identifying sites suitable for emergency and transitional housing as described in Program #46 in Chapter 8 of this Element.

Future Housing Needs of Homeless Households

☒ Affordable Housing

One of the major causes of homelessness is the lack of affordable housing. The survey conducted for the Coalition's report indicated that the average income of the homeless household was \$359 per month. If a household with this average income allocated 100% of their income for housing, they could, at most, rent a single room occupancy (SRO) unit. Thus, this very low income level precludes individuals from securing permanent and secure housing.

Recommendation for Homeless Households:

* Support, as appropriate, the recommendations of local groups and agencies regarding the provision of more housing opportunities and assist in the identification of sites suitable for emergency and transitional housing.

Table 2.16 **Summary of Needs:**
Households with Special Housing Needs

	<i>Affordable Housing</i>	<i>Adequately Sized Units</i>	<i>Variety of Housing Type</i>	<i>Accessible Units</i>
Senior				
Single Parent				
Overcrowded				
Disabled				
Farmworker				
Homeless				

CHAPTER 3: HOUSING STOCK

Number of Housing Units

The number of housing units in the County (unincorporated and incorporated areas) increased by 11,888 units from 1980 to 1990; an increase of 15%. As of January 1, 1990, the total number of housing units in the County was 91,289 units (according to the State Department of Finance). Of that number, approximately 52,562 or 57.5% of all the units were located in unincorporated areas of the County.

The number of dwelling units reported in 1990 in the unincorporated County would have been greater had it not been for the destruction created by the October 17, 1989 Loma Prieta earthquake. According to data prepared by the County, 774 residential dwelling units were destroyed in the County as a result of the earthquake. Approximately 351 of these units, or 45% of the total, were located in the unincorporated area of the County. The 1989 earthquake also caused "major damage" to another 1,696 dwelling units in the unincorporated areas of the County. Thus, despite modest growth, the total housing stock in unincorporated County areas shows a net loss of 355 units from January 1, 1989 to January 1, 1990. The chart below illustrates the number of dwelling units in the County during the past two decades, and also highlights the difference in the stock between January 1, 1989 and January 1, 1990 (the time period affected by the 1989 Loma Prieta earthquake).

**Table 3.1 Year Round Housing Stock
County of Santa Cruz, 1970-1990**

	1970	1980	1989	1990
<i>Capitola</i>	2,519	4,794	5,209	5,310
<i>City of Santa Cruz</i>	13,449	17,769	19,481	19,494
<i>Scotts Valley</i>	1,304	2,751	3,376	3,449
<i>Watsonville</i>	5,209	8,756	10,456	10,474
<i>Unincorporated</i>	28,734	45,541	52,917	52,562
TOTAL	51,215	79,401	91,439	91,289

Source: 1985 County Housing Element, State of California, Dept. of Finance estimates for 1989 and 1990

In reviewing building permit activity from 1976-1989, it appears that the majority of new units in the unincorporated areas have been located in the Live Oak and Aptos Planning Areas.

**Table 3.2 Building Permits Issued
1976-1989
County of Santa Cruz (Unincorporated)**

Planning Area	# of Permits	% of Total
Aptos Hills	850	7%
Aptos	2378	20%
Bonny Doon	445	4%
Carbonera	627	5%
Eureka Canyon	324	3%
La Selva Beach	240	2%
Live Oak	2770	23%
North Coast	46	0.5%
Pajaro Valley*	480	4%
Salsipuedes	40	0.5%
San Andreas	272	2%
San Lorenzo Valley	1262	10%
Skyline	488	4%
Soquel	1345	11%
Summit	530	4%
TOTAL	12,097	100%

*Constrained by sewer hook-up moratorium

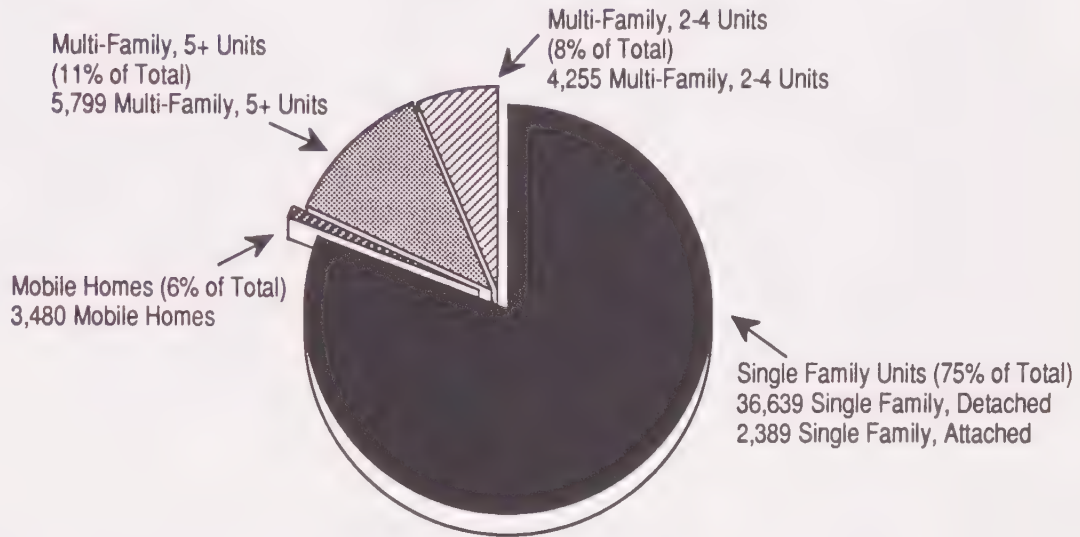
Source: County of Santa Cruz, Planning Department, August, 1990

The Live Oak and Aptos Planning Areas experienced more building activity because they are in the Urban Services area. Other Planning Areas, such as Skyline or the North Coast area, are located in rural areas which lack a certain level of services and infrastructure, and experience a variety of development constraints.

Type of Unit

Single family units are the most prevalent type of housing in the unincorporated areas of Santa Cruz County. Approximately 75% of the County's housing stock is single family units, with the majority (94%) being single-family, detached units. Another 19% of the housing stock is multi-family units, and the remaining 6% is mobile homes. The illustration on the following page (Table 3.3) details the County's housing stock by unit type.

Table 3.3 Housing Units by Type
County of Santa Cruz (Unincorporated)
January, 1990



36,639 Units	Single Family, Detached
2,389 Units	Single Family, Attached
4,255 Units	Multi-Family, 2-4 Units
5,799 Units	Multi-Family, 5+ Units
3,480 Units	Mobile Homes
<u>52,562 Units</u>	TOTAL UNITS

Source: State of California, Department of Finance estimates, April, 1990

It is interesting to note that, while mobile homes only comprise 6% of the County's housing stock, the mobile homes in the County represent 57% of all mobile homes located in both incorporated and unincorporated areas of the County. There are a total of 6,092 mobile homes in all areas of the County, and 3,480 of these are located in the unincorporated areas.

Housing Units By Tenure

Tenure indicates whether a unit is owner or renter-occupied. Tenure is often associated with the type of housing unit; for example, single-family units and mobile homes are most often owner-occupied while multi-family units are typically rental units. There are, of course, exceptions; such as single-family units being used as rentals and multi-family units that are condominiums and purchased for ownership use.

Since there is such a high percentage of single family units in the unincorporated areas of the County, it would be expected that there would also be a higher than average percentage of owner-occupied units. According to the 1980 U.S. Census data, 67% of all the housing units in the unincorporated areas were owner-occupied. This compares to a total of 59.5% for the County as a whole (incorporated as well as unincorporated area) and 55.9% for the State of California. Historically, the homeownership rate in the County has been decreasing, as has the rate statewide. In 1960, 73% of the units in the County were owner occupied; by 1970, that percentage had decreased to 69.4%. The State reflected a similar decline. Since 1980, the percentage of owner-occupied units statewide has fluctuated up and down by approximately 5%; as of 1988, the percentage was slightly less than the percentage in 1980. If the County's homeownership rate is similar to that of the State's in recent years, it is expected that the 1990 U.S. Census will show that between 65-70% of the County's total units are owner-occupied.

Vacancy Rates

A community's vacancy rate indicates the percentage of units that are vacant and for sale or rent at any one time. Theoretically, a vacancy rate measures the condition of the housing market, indicating whether there are sufficient vacant units available for a "healthy" housing market with adequate supply and demand.

Vacancy rates for the County are computed by the State Department of Finance on a yearly basis, and by the U.S. Census Bureau every ten years. These rates are based on a review of all housing units, including seasonal and occasional housing units (i.e. vacation homes, temporary migrant labor units, etc.). The vacancy rate for the unincorporated areas of the County has been above 10% for the past 30 years. In 1960, the vacancy rate was extremely high, 33.8%; indicating that approximately one-third of the housing stock at that time was vacant. In most recent years, the rate has fluctuated between 11-13%. While a vacancy rate of over 10% would be regarded as high in some housing markets, it should be noted that there are many units in the County which are used as second homes and vacation rentals, and are thus unavailable for year round or permanent use. There are many homes in the beach areas, as well as in the mountain areas of the County, that are still used for this purpose and, therefore, should not really be considered part of the available housing stock.

The 1989 Loma Prieta earthquake had a definite effect on vacancy rates in the County. From 1985 through 1989, the vacancy rate for the County remained in the 12% range. However, after the earthquake, the vacancy rate dropped to 11.12%. This reflects both the loss of many quake-damaged housing units and, the occupancy of some previously vacant units. See Table 3.4 on the following page for the vacancy rates for the unincorporated County from 1960 to 1990.

**Table 3.4 Vacancy Rates
County of Santa Cruz (Unincorporated Areas)
1960-1990**

Year	Vacancy Rate
1960	33.8%
1970	19.6%
1980	13.9%
1990	11.12%

Source: U.S. Census 1960, 1970 and 1980
State of California, Department of Finance, 1990
(Population and Housing Unit Estimates)

Housing Age and Condition

One method to evaluate the condition of a community's housing stock is to review the age of the housing units. Structures that are 30 years or older often require repairs for modernization or to correct the results of deferred maintenance. A community with much older housing may need to be concerned about improving the condition of the stock and ensuring that housing units are safe and healthy places in which to live.

According to data generated by the 1980 U.S. Census, 43% of the units in the County's unincorporated area were built before 1960. This would indicate that 19,582 units are 30 years of age or older. (It should be noted that this data was generated in 1979-80, and a small number of these units may have been demolished or replaced since that time.) In addition, there are also a significant number of units (11,613 units) that were built during the 1960-69 period. These units will be approaching 30 years of age in the next decade and may also need housing improvement and modernization. In total, then, there are 19,582 units over the age of 30 years and another 11,613 units approaching 30 years of age in the unincorporated County. These 31,195 units represented 59% of all units in the County (unincorporated areas only) as of January, 1990.

A more specific gauge of housing conditions is a physical inspection of housing units, as part of a "housing condition survey." The inspection typically involves assessing the exterior condition of a dwelling unit, with an inspection of the interior of the unit if time and staffing permits. In March, 1988, the County Planning Department conducted a windshield survey of three areas of the unincorporated County which had been identified as having a larger than average share of older units: Davenport, Live Oak and Freedom. A total of 10,825 units were evaluated according to their exterior condition and, of that total, 42% were found to be in need of rehabilitation. As Table 3.5 indicates, the greatest number of units in need of rehabilitation was in the Live Oak area, while the highest percentage of units in need of rehabilitation was in Davenport.

**Table 3.5 Housing Condition Survey Results
County of Santa Cruz
March, 1988**

	Davenport	Freedom	Live Oak	TOTAL
Number of Units	106	888	9,831	10,825
Number of Units in Need of Rehabilitation	59	386	4,099	4,544
Percentage of Units in Need of Rehabilitation	56.7%	43.5%	41.7%	42%

Source: 1990 County of Santa Cruz, Community Development Block Grant (CDBG) Application

Of the total 4,544 units in need of rehabilitation, 45% were considered to need "minor" rehabilitation (up to \$5,000 worth of work to bring units up to compliance with the Housing Code Standards) and 19% were in need of "moderate" rehabilitation (between \$5,000-17,500 required to bring them into compliance). Another 29% were determined to be in need of \$30,000 or more in work in order to be in compliance and were therefore classified as in need of "substantial" rehabilitation. The remaining 7% were considered "dilapidated" and, depending on the circumstances, would be more feasibly replaced than repaired.

Some common deficiencies identified during the housing condition survey included foundation work, structural repairs, electrical work, roof repair and replacement, plumbing and drainage repairs and painting. Repairs noted for mobile homes were primarily for new roofs, new skirting, electrical repairs and porch repairs. It was estimated that most of the repairs for mobile homes could be completed within the price range of \$2,000-6,000/unit.

The three geographic "target" areas identified above were chosen for a windshield survey because they contain a higher percentage of older and substandard units than other areas of the unincorporated County. Units in need of rehabilitation are located in these areas as well as in other areas of the County. The "1990 Statewide Housing Plan," prepared by the Department of Housing and Community Development (HCD), estimates that there are 11,900 units in need of repair or replacement (defined as needing repairs in excess of \$2000) in Santa Cruz County incorporated as well as unincorporated areas. This number represents 13% of all the units in the County, while the average percentage for the State as a whole is 12%. The 13% estimate for Santa Cruz County appears to be low, in that it includes units for both the incorporated and unincorporated areas and that 4,544 units were found to be in need of rehabilitation in just the three target areas identified above. These 4,544 units alone would represent 38% of all the units identified by the State as needing rehabilitation for the entire unincorporated and incorporated County.

Effect of the 1989 Loma Prieta Earthquake on Housing Stock

The October, 1989 Loma Prieta earthquake had a major effect on the housing stock in Santa Cruz County. Because the epicenter of the earthquake is located in Santa Cruz County (at the Forest of Nizene Marks State Park), many of the County's buildings sustained major damage from the earthquake.

In a February, 1990 report to the Board of Supervisors, the County Administrative Officer provided a written summary of the reported effects of the earthquake on County residents. The report does note that the information provided is based solely on reported damage, it does not include the estimated millions of dollars in damages which were never reported to the County and/or absorbed by individual property owners, private insurers or the Federal Emergency Management Agency. The 1990 report indicates that 351 dwelling units in the County unincorporated areas were demolished as a result of the earthquake. The largest concentration were located in the Summit area (109 units) and the second largest concentration were in the San Lorenzo Valley, Aptos and Pajaro Valley areas. The dollar value of the total 351 units prior to demolition was estimated to be over 40 million dollars.

The report further notes that 1,696 dwelling units in the unincorporated County sustained "major damage" as a result of the earthquake. "Major damage" was defined as damage requiring more than \$10,000 in repairs. The 1,696 total includes 251 mobile home units. Again the San Lorenzo Valley and the Summit area contained many of the units that were damaged, with approximately 559 units located in those 2 areas alone. The total estimated dollar value of the damage to the 1,696 units was \$64,030,310. An additional 1,452 dwelling units and 333 mobile homes in the unincorporated areas were identified as having "minor damage."

In total, 3,832 units were reported as demolished or damaged as a result of the earthquake. These 3,832 units represented 7% of the County's housing stock as of January 1, 1989. And, it must be remembered that this estimate of damage is considered to be conservative, since it only includes reported damages. Therefore, it is likely that the actual percentage of the County's housing stock impacted by the earthquake exceeds 7%.

In response to the urgent conditions created by the earthquake, the County established the "Earthquake Recovery Unit" as a free-standing division of the Planning Department. During the 12 months following the earthquake, this Unit issued a total of 6,291 damage repair permits. As of January, 1990, the Federal Emergency Management Agency (FEMA) had received 7,367 applications for temporary housing from residents of the unincorporated and incorporated County, and another approximately 11,000 applications for individual/family grants or "small business: homes" assistance.

The "California Disaster Assistance Program" (CALDAP) has also been a financial resource for earthquake related damages. CALDAP provides loans which are either deferred or amortized at 3% interest to households who are unable to receive FEMA assistance. The Santa Cruz County Housing Authority is managing CALDAP for the County's unincor-

porated area. As of January 31, 1991, Housing Authority staff estimated that they had approximately \$10 million dollars allocated from CALDAP, and had processed 56 loans to date. Of the 56 loans, 30 were to households located in the unincorporated area of the County.

Cost of Housing

Similar to most other areas in California, the cost of housing in Santa Cruz County has increased significantly during the past decade. The impact of this increase has been felt in both the rental and ownership markets.

Rental Market

According to surveys conducted by the Housing Authority and County Planning Department, the median rent for a 2 bedroom unit in northern Santa Cruz County was \$200 in 1974 and \$375 in 1979. By 1984, the 1974 median rent of \$200 had more than doubled to \$510. (Source: 1985 County of Santa Cruz "Housing Element") In the Fall of 1990, a survey of housing units advertised for rent in the "Santa Cruz Sentinel" revealed the following.

**Table 3.6 Advertised Average Monthly Rents, 1990
Northern Santa Cruz County Housing Market**

Type of Unit	Advertised Average Rent
Rooms for Rent	\$420
Studio Units	\$540
Apartments:	
One Bedroom	\$630
Two Bedroom	\$770
Condominium/Townhouses:	
Two Bedroom	\$950
Three Bedroom	\$1160
Houses:	
Two Bedroom	\$1100
Three Bedroom	\$1360
Four Bedroom	\$1590

Source: Survey conducted by Freitas + Freitas of " Santa Cruz Sentinel"
Classified Advertisements, Fall, 1990

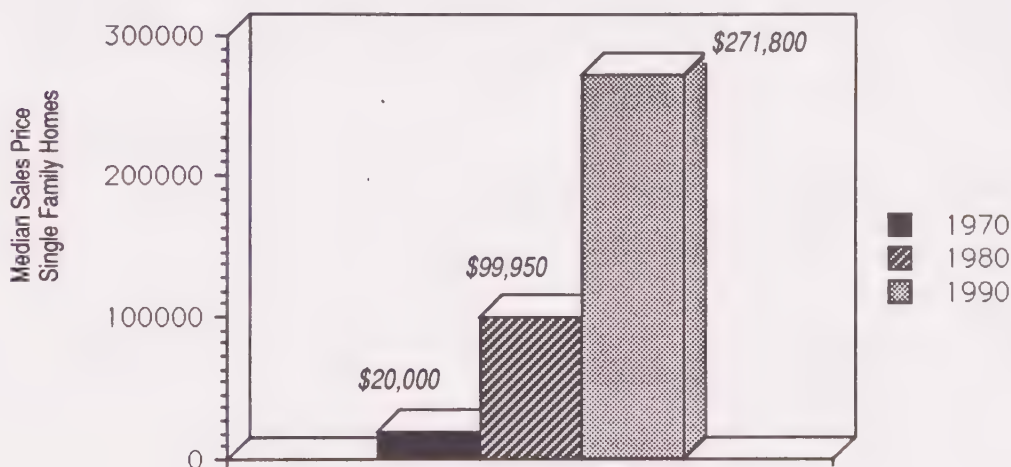
Rents in Watsonville and the Pajaro Valley (south County) have historically been lower than those in north County. Information in the City of Watsonville's 1986 "Housing Element" indicates that the average monthly rent for a two bedroom unit in 1986 was \$600 and the rent for a three bedroom unit was estimated to be an average of \$775 per month.

Homeownership Market

In 1970, the median residential sales price in the County of Santa Cruz was approximately \$20,000; ten years later, the median price had increased to almost \$100,000. The rapid appreciation of homes during the 1970-80 decade was again repeated in the 1980-90 decade. By 1990, the median price for a home in northern Santa Cruz County had increased to \$271,800, while the median sales price for a condominium was \$199,677. (All data cited is from the Santa Cruz Board of Realtors for June-December, 1990.)

In the Watsonville area, the sales prices were lower. The median sales price for an existing home in the Watsonville area was approximately \$194,711, and the price for a condominium was \$186,761.

**Table 3.7 Existing Single Family Homes (Excluding New Construction)
Median Sales Price
Northern Santa Cruz County**



Source: 1970 and 1980 Data - County of Santa Cruz 1985 Housing Element
1990 Data - Santa Cruz Board of Realtors (June-December, 1990)

Affordability of Housing

Providing affordable housing is one of the major issues facing California today. A recent (1990) report by the Joint Select Task Force on the Changing California Family, a state legislative committee, concluded that the high cost of housing is contributing to a crisis in the California family. The report states that,

In order to locate affordable housing, many family members are working longer hours, multiple jobs or commuting long distances to work. All of these factors

take a toll on family life, leaving less time for parents to spend with their children and adding to the stress of an already long work day.

In Santa Cruz County, as in other California communities, households are often forced to spend more than a reasonable share of monthly income on housing. The 1980 U.S. Census data indicate that, of the 15,751 lower income households in the unincorporated area, approximately 50.9% (8,023 households) were overpaying for housing. In 1980, "overpaying" was defined as paying in excess of 25% of household income for rent or mortgage payments. Of the 8,023 lower income households who were overpaying for housing, 68% (5,462 households) were renters and 32% (2,561 households) were owners.

Since 1980, the percentage that determines whether a unit is affordable (and, consequently the household is not overpaying for housing) has increased. The rule of thumb most often used by both financial institutions and governmental agencies is that a household should now spend no more than 30-35% of their household income for housing costs. These percentages vary depending on the type of agency administering the housing program, the actual household income and whether the household is an owner or renter household. For example, changes to State law effective January 1, 1991 specify the following percentages of household incomes for affordability determinations. (Please note: these calculations are used to determine how much a household can theoretically "afford" to pay; these calculations are not used to define very low, lower and moderate income households.)

**Table 3.8 Housing Affordability Guidelines
State of California, 1991**

Renter Households

Very Low Income: 30% of 50% of Areawide Median Income
Lower Income: 30% of 60% of Areawide Median Income
Moderate Income: 30% of 110% of Areawide Median Income

Owner Households

Very Low Income: 30% of 50% of Areawide Median Income
Lower Income: 30% of 70% of Areawide Median Income
Moderate Income: 35% of 110% of Areawide Median Income

Source: State of California, Dept. of Housing and Community Development

Using the affordability criteria listed in Table 3.8 on the previous page, the average four person very low income household in Santa Cruz County can "afford" \$496 per month for housing in 1990. This was calculated by multiplying 30% of 50% of areawide median income for a four person household. (In 1990, the median income for a four person household in the County was \$39,700 per year; 50% of that is \$19,850 per year.) The average 2 bedroom apartment in northern Santa Cruz County was advertised for rent at \$770 per month according to the survey results identified on page 39. To pay this amount in monthly rent would require approximately 47% of a very low income household's monthly income. Even if this hypothetical household decided to rent a one bedroom apartment to save on housing costs, they would still be paying 38% of their income for the average one bedroom apartment's advertised rent of \$630 per month.

The lower income household of four persons in Santa Cruz County theoretically has \$595 available for housing (using the 30% of 60% of areawide median income). Like the very low income household, the lower income household would also be unable to "afford" the average two bedroom apartment's advertised rent of \$770 per month. The only type of unit that would be affordable for the lower income household would be a studio unit with an advertised average rent of \$540 per month.

In 1990, a four person moderate income Santa Cruz County household could afford \$1092 per month for housing (using 30% of 110% of areawide median income). The moderate income household could therefore afford to rent the average 2 or 3 bedroom apartment in Santa Cruz County, but would have to pay more than 30% of their income to rent a 2 bedroom or larger house.

Table 3.9 on the following page compares the average rental housing costs by housing unit type with the theoretical amount of monthly income that a Santa Cruz County household can "afford" for rent. The information in this table demonstrates that very low and lower income households have a difficult time securing affordable rental units in the County's housing market. In order to rent the average unit, these households must often times spend much more than 30% of their income for housing.

**Table 3.9 Comparison of Rental Housing Affordability by
Income Level and Market Rents
Northern Santa Cruz County Housing Market, 1990**

Amount of monthly income that a very low income household could "afford" for rent	\$ 496	Very Low Income Household*
	\$ 540	Average Studio Unit Rent
Amount of monthly income that a lower income household could "afford" for rent	\$ 595	Lower Income Household*
	\$ 630	Average 1 Bedroom Apartment Rent
	\$ 770	Average 2 Bedroom Apartment Rent
Amount of monthly income that a moderate income household could "afford" for rent	\$1092	Moderate Income Household*
	\$1100	Average 2 Bedroom House Rent
	\$1360	Average 3 Bedroom House Rent
	\$1590	Average 4 Bedroom House Rent

*Amount indicates 30% of monthly income for a household of 4 persons in 1990 dollars, using affordability criteria as defined on page 41.

Should a household wish to purchase rather than rent a housing unit, the affordability dilemma becomes even more complicated. The median sales price for an existing home in the south County area was approximately \$194,711 and the median in the northern County area was \$271,829 during the latter half of 1990. A household should have an annual income of approximately \$62,000 to afford the \$1,568 monthly housing payment for a south County unit; an annual income of \$87,000 would probably be required to afford the monthly housing payment of \$2,169 for a unit in the northern part of the County (using a 30% housing cost to income affordability ratio). These estimates assume that the household has a 20% down payment; if a household can pay more than 20% of the costs as a down payment, then the amount of household income necessary to sustain the mortgage would of course be reduced. The household income calculations further assume that there are fixed rate mortgage loan funds available at 10% for a 30 year amortization period. (Please note: The calculations below do not account for possible Homeowner Association dues, property assessments or utility costs.)

South County Area

\$194,711	Median Sales Price (South County)
<u>(\$38,942)</u>	Down Payment (20%)
155,769	First Mortgage

\$1,368	Principal and Interest on First Mortgage (10% Fixed Rate Mortgage, 30 Year Term)
<u>\$ 200</u>	Property Taxes and Insurance
\$1,568	Monthly Housing Payment

North County Area

\$271,829	Median Sales Price (North County)
<u>(\$54,366)</u>	Down Payment (20%)
\$217,463	First Mortgage

\$1,909	Principal and Interest on First Mortgage (10% Fixed Rate Mortgage, 30 Year Term)
<u>\$ 260</u>	Property Taxes and Insurance
\$2,169	Monthly Housing Payment

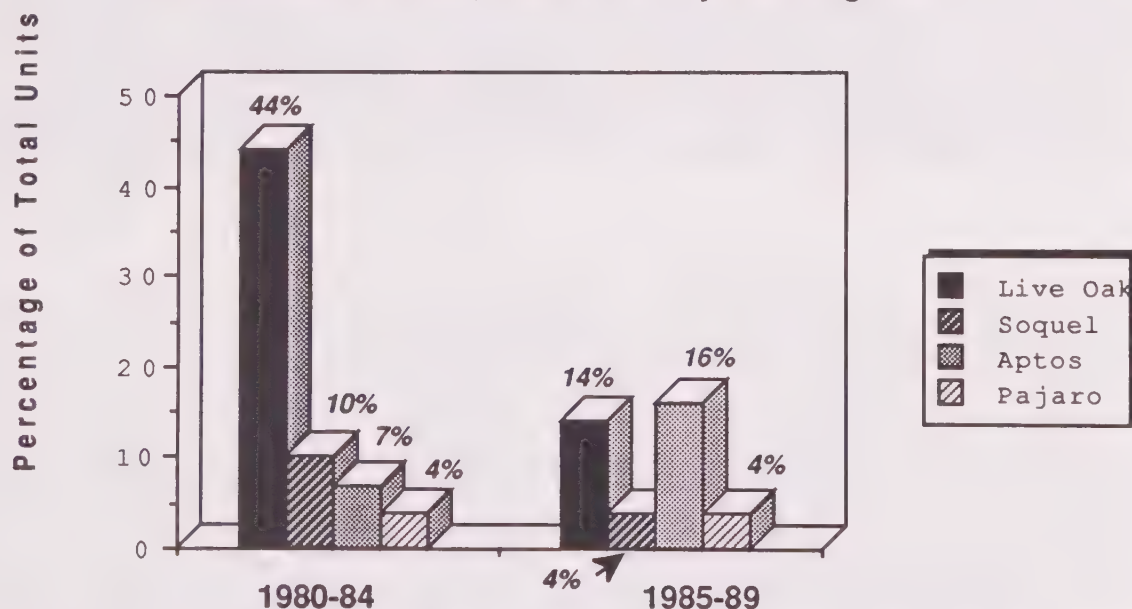
With the areawide median income for a four person household in Santa Cruz County estimated at \$39,700 per year in 1990, purchase of a housing unit is out of reach for many Santa Cruz County households. The only way that many households in today's housing market are able to purchase a unit is if they already own a housing unit and can use the equity from their existing unit to "buy down" the mortgage amount for a newer unit.

Affordable Units in the Housing Stock

In 1978, the voters of Santa Cruz County approved "Measure J." This referendum measure specified, among other things, that at least 15% of newly constructed housing or newly subdivided land in the unincorporated area of the County be affordable. This inclusionary requirement has been enforced by the County's Planning Department since 1979 and is implemented through Chapter 17.10 of the County Code, "Affordable Housing Requirements."

From 1980 through 1989, 975 affordable units were added to the County's housing stock. Approximately 71% (692 units) of the total 975 units are located in the Live Oak area. However, most of the Live Oak affordable units were developed during the 1980-84 time frame; between 1985-89, the number of affordable units built in Live Oak dropped dramatically. Further, the percentage of affordable units in comparison to all units constructed in Live Oak also was reduced in the latter half of the 1980-90 decade as Table 3.10 below demonstrates. It is expected that this trend will continue. In a survey conducted by the Redevelopment Agency in 1991, only 23 of 403 pending affordable units in the County were located in Live Oak. (See Redevelopment Agency chart reproduced in Appendix #6.)

**Table 3.10 Affordable Housing Units As a Percentage of Total Units
1980-84 and 1985-89, Distribution by Planning Area**



Number of Affordable Units by Planning Area

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Live Oak	17	184	207	45	127	17	13	68	15	0
Soquel	25	17	10	0	0	4	4	1	7	0
Aptos	11	32	13	1	0	4	80	5	1	3
Pajaro	0	0	0	2	1	0	0	1	0	2

The 975 affordable units provided from 1980-89 include some large affordable housing projects such as the 80 unit Seascape Senior housing development in Aptos as well as smaller scale, "inclusionary" units scattered throughout the County. It is estimated that there were 365 units in scattered sites as of Fall, 1990. Depending on the year in which they were constructed and the conditions that were associated with their approval, most inclusionary units are affordable "in perpetuity" to households at or below moderate income levels. The County's inclusionary program consists of both ownership as well as rental units, but the majority are ownership units. The County Housing Authority qualifies eligible households to purchase or rent the affordable units, and also monitors rent levels and purchase prices. Listed below are the rental rates and purchase prices for the County's "Affordable Housing Program" as of January, 1991. It should be noted that the purchase price for homeownership units is based on the assumption that fixed interest rate mortgage monies are available at 10%; if mortgage interest rates vary from that assumption, then the purchase price is adjusted accordingly.

**Table 3.11 Rental Rates
Affordable Housing Program
County of Santa Cruz, 1990-91**

Studio	- \$519
1 Bedroom	- \$593
2 Bedroom	- \$666
3 Bedroom	- \$741
4 Bedroom	- \$788

Source: Santa Cruz County Housing Authority, January, 1991

**Table 3.12 Homeownership Purchase Prices
Affordable Housing Program
County of Santa Cruz, 1990-91**

	Without Homeowner Association Dues	With Homeowner Association Dues (\$100/mo.)
1 Bedroom	\$81,315.91	\$72,240.31
2 Bedroom	\$91,560.43	\$82,484.84
3 Bedroom	\$101,698.20	\$92,622.65
4 Bedroom	\$107,994.40	\$98,918.75

Source: Santa Cruz County Housing Authority, January, 1991

Housing in the Coastal Zone

The California Coastal Act was passed by the State legislature in 1976 and required local governments to adopt and certify "Local Coastal Programs" (LCPs). A community's LCP is required to contain both a "land use plan" and an "implementation plan" which detail how the local coastal resources are to be maintained and protected. The County of Santa Cruz first adopted its LCP in 1981. After the LCP was reviewed and certified, the County assumed coastal permit authority in 1983.

Santa Cruz County's LCP designates specific sites within the coastal zone as potential affordable housing sites. Further, the County's Affordable Housing Ordinance (Section 17.10) requires that sites designated for affordable housing in the coastal zone be developed with 35% affordable housing if not developed as assisted housing or owned by the County.

Section 65588 of the State Government Code requires that coastal jurisdictions provide certain information with regard to affordable housing activity in housing element revisions or updates. The County's 1985 Housing Element contained information on housing in the coastal zone from 1982 to 1984. Table IV-K-1 on page 83 of that document indicates that 653 market rate units were built in the Coastal Zone and 237 affordable units (183 rental units and 54 ownership units). During that same time period, there were 11 residential demolitions and 1 conversion of residential to non-residential use.

From 1985 through 1990, 626 new residential units were constructed in the coastal zone. Approximately 73 units were demolished and 104 units were identified as being replacement units. (Coastal zone was defined in the 1985 Housing Element as being certain selected census tracts and those tracts are identified on page 83 of the 1985 Element.)

CHAPTER 4: EVALUATION OF THE 1985 HOUSING ELEMENT

Background Information

State Housing Element Guidelines require that communities evaluate their previous Housing Elements according to the following three criteria:

- Effectiveness of the Element,
- Progress in Implementation, and
- Appropriateness of Goals, Objectives and Policies.

The County's most recent Housing Element was revised and adopted in 1985. In 1986, the State Department of Housing and Community Development (HCD) certified the County's Element as being in compliance with State Housing Element law. In 1988, HCD indicated that the Housing Element was no longer in compliance with Housing Element law. As a result of this action and further discussion with HCD, the County Board of Supervisors adopted Resolution #97-90 which led to HCD determining that the Housing Element was once again in compliance with State law. Therefore, the review of the 1985 Element detailed below includes information contained in both the original 1985 document, as well as the actions included in Resolution #97-90.

Effectiveness of the 1985 Element in Attaining the Community's Goals and Objectives And Progress in Implementation

The 1985 Housing Element identified four broad housing goals:

HOUSING SUPPLY: To insure a decent home and a suitable living environment for all County residents

HOUSING AFFORDABILITY: To protect and increase the supply of housing affordable by low and moderate income households

EXISTING HOUSING CONDITIONS: To maintain and improve the physical condition of existing housing

EQUAL HOUSING OPPORTUNITY: To insure that all County residents have equal access to housing opportunities

For each of these four goals, the 1985 Element identified supporting policies, objectives and programs. The review and evaluation of the 1985 Housing Element is organized according to each housing goal from the 1985 Element, and includes a discussion of policies, objectives and programs as appropriate for each housing goal. In order to facilitate this evaluation process, housing programs are referenced by the numerical order in which they were described in the 1985 Housing Element (beginning on page 96 of that document). The program number from the 1985 Housing Element is identified in parentheses, such as (Program 1.1.101), and is referenced in the text following each 1985 Housing Element goal.

HOUSING SUPPLY

In the policies and programs section of the 1985 Housing Element, the three major efforts scheduled for the 1985-90 time period were to: 1) establish annual growth rates that reflected statewide population trends, regional housing need and the capabilities for unincorporated growth, 2) encourage new residential growth within the Urban Service Line (USL) and, 3) review processing procedures, development standards and costs associated with residential development.

Annual Growth Rates and Housing Unit Increase (Program 9.1.1.101)

The Board of Supervisors has continued to set annual growth rates that reflect statewide population trends, regional housing needs and the capability of the area to absorb new growth. Building permits are allocated based on adopted growth rates. "Allocated" means that permits are available; whether they are used or "issued" depends on whether there is a development application submitted for those permits.

Table 4.1 Permit Allocations, County of Santa Cruz, 1980-90

<i>Year</i>	<i>Building Permits Allocated</i>	
1980	1055	
1981	937	
1982	968	
1983	972	
1984	991	
1985	757	
1986	768	
1987	468	
1988	489	<i>TOTAL 1985-90=4,842</i>
1989	489 + 1,384	
1990	487	
TOTAL (1980-90)	9,765	

The Board of Supervisors allocated approximately 4,842 building permits from 1985 through 1990. The 4,842 include an additional allocation of 1,384 permits for affordable units that the Board of Supervisors authorized in 1989 in order to provide for attainment of the County's regional housing need goals.

Program 9.1.101 in the 1985 Housing Element noted that the AMBAG projected new construction need of 4,890 units over the 5 year period from 1985-90 "would be taken into consideration" in setting growth rates. The County of Santa Cruz has fulfilled its responsibility with regard to this program in that the Board of Supervisors has allocated building permits that would accommodate 99% of the identified new construction need (4,890 units needed and 4,842 building permits allocated).

While a sufficient number of permits has been allocated, the actual number of permits issued for residential units has been less. In the period from 1980-84, 4,923 permits were

allocated and 3,890 were issued. For the planning period from 1985 through June of 1990, 4,842 permits were allocated and 3,242 building permits were issued. The difference between permits allocated and actually issued has resulted in a surplus of approximately 1,600 unissued building permits. When this surplus is added to the "carryover" surplus at the beginning of the 1985-90 period, the total surplus of permits available is approximately 2,700, the majority of which (1,766 permits) are designated for affordable units. These permits have continued to be "carried over" on a yearly basis. At the beginning of 1990, the carryover was approximately 2,700 permits and the Board allocated another 487 permits for program year 1990 and then another 495 permits for the 1991 program year.

Therefore, during the time frame for the 1985 Housing Element, the County of Santa Cruz has allocated a sufficient number of building permits to meet its regional new construction need. Approximately 4,842 permits were authorized from 1985 to 1990 in order to accommodate the estimated need of 4,890 units. An additional 495 permits were authorized for 1991, a total allocated from 1985 to January, 1991 of 5,337 permits.

New Growth Directed to Areas Within Urban Service Line (Program 9.1.2.101)

One of the continuing objectives of the County is to direct and encourage new residential growth within the Urban Services Line (USL), where housing for lower income households is usually most easily provided. From 1985-1989, a total of 2,961 building permits were issued. Of that total, 1,767 permits were for dwellings within the USL and the remaining 1,194 permits were for dwellings in the rural areas. Translated into percentages, 60% of the permits were used for dwellings in the USL and 40% were used for dwellings in the rural areas. For the 1976-89 period, 57% of the total building permits were issued within the urban area and, 43% were issued within the rural area.

Processing Procedures, Development Standards and Costs Associated with Residential Development. (Programs 9.1.3.901 to 9.1.5.901)

● **Long-Range Development Standards and Costs**

The County's Capital Improvement Program (CIP) continues to be an important guide in identifying improvement and development standards for residential areas. Refinements have been made annually to the County's CIP to identify and program public service improvements and to provide a basis for development of necessary financing programs. A major source of funding for the Live Oak and Soquel Planning Areas has been secured due to the issuance of two bonds by the County's Redevelopment Agency to upgrade the infrastructure for these two areas. Appendix #5 contains a listing of the Redevelopment Agency's projects as of Spring, 1991.

The County has also developed the Urban Service Evaluation Criteria (1988), with the mapping of five level of service categories (traffic, roadside, sewer, park and drainage) in the Aptos, Soquel and Live Oak areas. This service rating system is now utilized in the environmental review of new projects, and as a basis for project review and conditioning.

During the 1985-90 time period, the County also re-evaluated some of the public costs resulting from major developments and made revisions to the fee structures. Revised Transportation, Roadway and Roadside Betterment fees have been adopted for the Aptos, Soquel, Live Oak and the Pajaro Valley Planning Areas. Park Fees have also been reviewed and increased where necessary.

One of the most significant actions that the County initiated during this time frame was the beginning of a complete update of the General Plan, emphasizing infrastructure and growth capacity. At the time that this Housing Element Update was prepared, an initial evaluation of the County's infrastructure and public service capabilities had been prepared and town plans had been completed or were near completion for Aptos, Felton, Ben Lomond, Boulder Creek and Soquel.

● Permit Processing and Planning Procedures

The County conducted an extensive review of its planning and permit processing procedures during the 1985-90 time frame. Two outside consulting firms were utilized to conduct an evaluation of the County's planning and permit processing system and to provide recommendations for improvement. The first study, conducted by Zucker Systems, evaluated the planning process system and provided a series of recommendations and an action plan for improvement. Key recommendations included the following:

1. the need to train Department managers in management functions,
2. a variety of changes in the way plans are processed,
3. the need to clarify a variety of planning policies,
4. the need to expand staff training programs, and
5. a program to either increase efficiency, or hire more staff and raise fees to avoid the continuation of a backlog of development permit analysis.

The Zucker report provided 102 specific recommendations on ways to improve the planning process. The report was accepted by the Board of Supervisors in January, 1990. At that time, the Planning Department was directed to implement the report recommendations and to submit monthly progress reports to the Board.

The second study was conducted by Western Productivity Group and provided an analysis of permit application procedures for single family dwellings and for the discretionary permit application process. Western Productivity's major finding was that the building application processing timelines could be reduced from the current nine weeks to an average of five to six weeks. Further, key recommendations from their reports included the following:

1. provide better up-front information to the applicant,
2. require known, up-front discretionary permits and any technical approvals to be obtained prior to submittal of related building applications,
3. convert the system of building permit review to a concurrent-oriented process, and
4. implement a new function, consolidation of building plans, prior to issuance of the building permit.

In January, 1990, the Board of Supervisors accepted the Western Productivity report and directed staff to implement the recommendations with monthly progress report updates. Upon direction from the Board of Supervisors, the Planning Department began to implement changes in order to respond to the recommendations of these reports. It should be noted that, at the time these reports were accepted by the Board (early 1990), the Planning Department was carrying an unusual workload because of the 1989 Loma Prieta earthquake and all of the earthquake-related processing and recovery efforts that were occurring at that time. Nonetheless, the Planning Department has continued to implement the recommendations and provide monthly reports back to the Board. In the progress reports, the status of work items for each division of the Planning Department is discussed, and completed or future actions are identified. Specific actions regarding public hearings, scheduling of draft reports and coordination with outside agencies are also discussed in the report.

While nearly all of the recommendations in the reports are either complete or in progress, the most significant improvement is that permit processing time has been reduced substantially. For example, the average processing time for a single family dwelling building permit application from submittal to evaluation was 12 weeks in 1989. By late 1990, that time period had been cut in half so that the average processing time was approximately 6.1 weeks. The average time frame for building permit applications for major projects also was reduced in half, from 8.6 weeks to approximately 4 weeks. This reduction in processing time is significant and the Planning Department intends to continue to re-evaluate and monitor their progress in permit processing.

In addition to building permit processing reform, the Planning Department has worked on streamlining and improving discretionary review. As the graph in Appendix #10 illustrates, discretionary review processing times have been reduced for all levels of application, from approximately 20% reduction to over 50% reduction. These "reforms" continue as the Department fully implements the recommendations from the Zucker Systems report and the Western Productivity report.

The Department has designated one employee as the "Customer Service" representative whose sole job is to guide development applications through the process, keep applicants informed as to their application status and ensure that all information is communicated. Appendix #8 contains letters from recent affordable housing developers who attest to the fair and expedient treatment received under the County's current building and discretionary permit processing system. In an additional effort to improve the permit processing system, the Board of Supervisors, in June of 1991, directed the Planning Department to evaluate the task of rewriting County Code chapters addressing land use regulations. The intent of the rewriting will be to clarify and simplify the procedures.

In summary, while the County continues to adhere to policies which protect critical environmental resources and ensure adequate public services and neighborhood quality, these policies do not constrain the County from achieving its housing goals. On-going improvements in permit processing; revisions to the growth management system to exempt affordable housing units; clarification of residential design and zoning standards; willingness to work with developers to achieve bonus densities and modify development standards or fees where appropriate; and an accelerated commitment to providing for affordable housing indicate the County's ability to respond to housing needs.

● **Affordable Housing Outreach Program**

In addition to the above studies, the County also developed an outreach program to publicize the availability of affordable building permits. The program identifies four major tasks:

Task 1: Identify target groups for Outreach Program

Task 2: Identify and Develop outreach methods for each target group

Task 3: Identify and Procure resources and distribution points for each outreach method for each target group

Task 4: Provide follow up to assess success of outreach program

The Affordable Housing Outreach Program continues to be one of the top priority items for the 1991-1996 time frame of this Housing Element. Please see Program #16 in Chapter 8 of this document for a description of the actions to be undertaken.

HOUSING AFFORDABILITY

One of the most significant objectives of the 1985 Housing Element was to encourage the provision of affordable housing. The 1985 Element contained policies and programs that encouraged the continued maintenance of existing affordable housing, required the provision of a certain percentage of affordable housing in new construction, directed that affordable housing be dispersed throughout the County and encouraged the reduction of residential energy use in order to decrease housing costs and conserve resources.

Maintenance of Existing Affordable Housing (Programs 9.2.1.401 and 9.2.1.501)

The two housing programs referenced above outlined specific actions with regard to mobile home rent stabilization and conversion. Throughout 1985-90, the County has continued to implement the mobile home rent stabilization program and to enforce Chapter 13.30 of the County Code which prohibits mobile home owners from converting mobile home parks to other uses.

In addition to these two programs, the County also has continued to maintain its policies regarding condominium conversions and demolition/replacement of existing structures. The Condominium Conversion Ordinance is designed to protect existing rental units from being converted to condominiums. The Ordinance establishes that existing rental units cannot be converted to condominiums unless certain conditions are met, including a County rental vacancy rate of 3% or higher. The Ordinance does provide exceptions to these conditions if 100% of the units to be created are made affordable to households of average (moderate) income or below for a minimum of 30 years.

The County has also adopted policies regarding the demolition of existing structures which are suitable for relocation. These policies establish certain procedures that need to be followed when an application for demolition is filed. Further, if the residential structure contains 3 or more units and the unit(s) to be demolished are occupied by individuals of low or moderate income, certain procedures and conditions apply for the provision of replacement units. The replacement units must be affordable and must comply with provisions of the County's Local Coastal Program, if applicable.

An additional program which helps to preserve affordable housing units and which was developed after the 1985 Housing Element was adopted is the "Housing Foreclosure Revolving Fund." This fund was approved in 1990 and provides monies to assist with the purchase of an ownership unit in the County's affordable housing stock that is in foreclosure. The monies are used to pay the delinquent portion of a mortgage loan and to obtain title to the property so that the unit can once again be sold to a low or moderate income household.

Creation of New Affordable Housing Units (Programs 9.2.1.301, 9.2.1.302, 9.2.1.601 through 9.2.4.201)

● Allocation of Building Permits for Affordable Units

In order to fulfill the intent of the Affordable Housing Requirements, the Board of Supervisors has allocated building permits specifically designed to encourage the creation of affordable units. In recent years, the Board has allocated these permits in conjunction with the annual allocation of permits. In 1989, the Board of Supervisors approved a special allocation of 1,384 building permits for the development of affordable housing units. This

special allocation, when added to the existing permits that were available, created a pool of 1,766 building permits for affordable units as of June, 1990. The Board of Supervisors approved the "carryover" of those permits into 1991 and also approved an additional 202 permits for affordable units for the 1991 program year (the 202 permits represented 41% of all permits allocated for 1991). Since 1985, slightly more than 2,000 permits have been allocated for affordable units. As of January, 1991, there were 1,968 permits available for affordable units.

● **Affordable Housing**

Information in the 1985 Housing Element indicated that there would be a housing need for a projected 4,539 additional lower income households in the unincorporated area from 1980-90. It is important to note that the total need for all of the County (unincorporated and incorporated areas) was 4,881 lower income households for the same time period. Therefore, the County's projected share of 4,539 households represented **93%** of all estimated new lower income households in the total County. The unincorporated areas of the County then were being asked to house the vast majority of the expected increase in lower income households. Clearly the four cities in the County also have a substantial obligation to house lower income households. Opportunities for redevelopment and new development of lower income housing within the cities do exist, and should play an important role in satisfying the County-wide need for lower income housing. Availability of services, urbanized land use patterns and other reasons make certain areas within the four cities appropriate for this type of housing.

According to data provided by the County Planning Department, there were 975 affordable units constructed between 1980 through 1989 and another 12 units were added in 1990, resulting in a total of 987 affordable units. These 987 units represent 22% of the estimated 4,539 needed for the 1980-90 time frame. In addition to units actually constructed, there were also permits specifically available for "affordable units." As noted above, there were 1,968 permits available for affordable units as of January, 1991. Since these permits were available for affordable units, they should also be included in the evaluation of the County's overall effort to stimulate affordable housing production. Therefore, the 1,968 available permits in combination with the 987 affordable units developed results in a revised total of 2,955 or 65% of the projected need.

Approximately 55% of the affordable units produced from 1980-90 were created as a result of the County's Affordable (Inclusionary) Housing program. Of the 987 affordable units produced between 1980-90, 541 units were created under the County's inclusionary housing program. It is important to note that the inclusionary program during the 1980-90 time frame allowed units to be affordable to households who are very low, lower or moderate income. Therefore, it is likely that some of the units developed under this program were occupied by moderate income rather than very low or lower income households. Detailed information on the current income levels of the residents of these units was not available at the time this Housing Element was prepared. One of the recommendations included in the program section of this Element (see Program #16 on pages 108-109) is for the County to maintain more detailed records of affordable units according to household income level.

● **Creation of Redevelopment Agency**

An important and significant action that the County has taken since 1985 was the creation

of the Redevelopment Agency. The County's Redevelopment Agency has established projects in one redevelopment area comprising Soquel and Live Oak and is studying the potential of adding two new areas in the future (urban portions of Aptos and San Lorenzo Valley). As one of the few counties in northern California to create a Redevelopment Agency, the County is in the fortunate position of generating additional revenues for affordable housing development through tax increment funds. During the latter part of the 1985-90 time period, the Redevelopment Agency authorized approximately \$7 million dollars in bond issues for affordable housing. These funds represent a significant resource for the County's affordable housing programs. In order to best utilize these funds, the Redevelopment Agency prepared a housing report in May, 1990 which outlined goals and guidelines for the Redevelopment Agency's housing program. This report has been adopted by the Agency Board of Directors and staff is working on prospective housing projects. In the Spring of 1991, Agency staff were working with developers to construct or preserve 260 units of affordable housing. A listing of 1991 Agency-assisted housing projects is provided on page 69.

● Housing Resource Programs

During the time frame of the 1985 Housing Element, the Planning Department administered several programs which encouraged the creation of additional affordable housing opportunities. One of these programs was the "Mortgage Credit Certificate" program which creates a financial incentive for low and moderate income first-time homebuyers. The "credit" is in the form of an income tax credit which can be taken by the household if they qualify and if the house that they purchase meets certain criteria. Approximately 145 Mortgage Credit Certificates had been issued in the County as of January, 1991 and 31 of those were used by participants in the County's Affordable (Inclusionary) Housing Program

In addition to the Mortgage Credit Certificate program, the County has participated in two other programs designed to assist homeownership. First, the County participated in the Santa Cruz 1985 Mortgage Revenue Bond in which mortgage money was provided at below market interest rates to 15 low and moderate income County households. As a result of the tax exempt bond issue being called in full by the issuer several years later, the County was given \$290,000 and all outstanding mortgages issued to affordable households under the program were forgiven (an extremely rare but fortunate event). The funds received will continue to be used for affordable housing programs. The second program, which was initiated in 1990, is designed to provide mortgage assistance for approximately 25 households in Santa Cruz County. The Housing Authority, acting on behalf of the County, assisted San Francisco Federal Savings and Loan in securing mortgage funds from the "Affordable Housing Program" of the Federal Home Loan Bank Board. The mortgage funds provided through the program are "silent second" mortgages on the purchase of a property which are designed to reduce the amount of down payment and monthly mortgage payment that a low or moderate income household would have to pay. This program is anticipated to start by the end of 1991.

The County has also provided funding to Senior Network Services to administer a "Shared Housing" program. This program "matches" elderly households with other households in shared housing arrangements. From 1985-1990, Senior Network Services matched 244 households who lived in unincorporated areas of the County. Senior Network Services also provides housing information to elderly households with regard to the type of affordable housing units available in the County.

● **Second Affordable Unit Program**

In 1986, the County developed and approved a program to encourage the creation of second affordable units or accessory second dwelling units on lots with an existing or planned single-family residence. The second units are restricted to low income households, with priority given to seniors, for a 30 year period. As of December, 1990, there had been 11 affordable second units approved by the County.

One of the objectives during the 1991-96 time frame will be to encourage the production of more second affordable units. It is recognized that the costs involved, including both hard and soft costs, often make the development of second units financially infeasible for property owners. Further, the County's affordability restrictions on second units may be impacting the production of these units, especially with regard to second units for family members. Therefore, Program #17 in Chapter 8 of this document sets forth an action plan for encouraging more second units during the Housing Element's 5 year time frame.

● **Affordable Housing Sites**

The identification of sufficient sites for affordable housing units was an important priority of the 1985 Housing Element, as evidenced by the number of programs directed toward that goal. The County Planning Department has maintained an inventory of vacant sites and updates that inventory approximately every two years. In addition, the Department annually reviews information from the County Tax Assessor's office to identify any properties that have been acquired by the County due to foreclosure or other reasons. Information on these properties has been made available to interested developers and non-profit groups when requested. While the Planning Department has maintained these lists and made them available, it also has recognized the need to update the vacant land inventory on a more consistent and regular basis and to provide more information regarding the suitability of sites for affordable housing countywide. Within the Soquel-Live Oak Redevelopment area, the Redevelopment Agency has begun an evaluation of potential housing sites. This data base will be used by the Agency to identify appropriate sites within the area and encourage affordable housing development.

An issue related to land inventories is the status of the "Land Acquisition Program" (Program 9.2.3.903). This program was recommended for implementation in the 1985 Housing Element if there was sufficient funding. The focus of the program was to have the County purchase sites suitable for assisted housing and then convey those sites to developers willing to construct affordable housing units. During the 1985-90 time frame, the County purchased the O'Neill Ranch property in Soquel, with the intention of producing affordable housing on the site along with other uses. The County Redevelopment Agency will be responsible for planning possible affordable housing development on the O'Neill Ranch property. In addition to the O'Neill Ranch, the County Redevelopment Agency has also assisted in the acquisition and development of a 39 unit project on Cunison Lane (known as "The Farm") in the Soquel area.

● **Encourage Development of Smaller, Less Expensive Units**

Mobile homes and manufactured housing units are usually considered as affordable alternatives to more expensive, "stick built" housing. The County does allow the placement of mobile homes and manufactured housing units on residentially-zoned lots, with certain conditions regarding design considerations. Several of the programs identified in the 1985

Housing Element called for the County to take an active approach in encouraging less expensive housing (i.e. manufactured housing, smaller units, minimum amenities, etc.). Individual staff members from the Planning Department have provided information to developers regarding these options and, in the 1991-96 time frame, a more aggressive type of promotion should be examined, such as a booklet with suggestions and examples from other communities of innovative developments.

● **Density Bonuses**

The 1985 Housing Element identifies the need for priority processing and consideration for projects which include a certain percentage of affordable units. In addition, the County's Affordable Housing Requirements address this issue. In 1990, the Planning Department began preparation of revisions to the Affordable Housing Requirements so that the requirements of the State's Density Bonus Law are met (Government Code Section 65915). The proposed revisions include priority processing as well as a density bonus of 25% for projects meeting certain income and household criteria. These revisions are scheduled for the Board of Supervisors' adoption in early 1992. In 1991, the Board approved a 42% density bonus for Paloma Del Mar, a senior housing development in the Pajaro Valley area.

Disperse Affordable Housing Throughout County (Program 9.2.4.201)

From 1978 to 1989, the majority of affordable units constructed in the County during that time period were located in the Live Oak area (63% of all units). However, during the 1985-1989 time frame, that percentage was reduced to 50%. Of all the affordable units constructed between 1985-89, 50% were located in Live Oak and 41% were located in the Aptos area. The Soquel area had 7% of all affordable units for the 1985-89 time period and the areas of Carbonera and Pajaro Valley had the remaining 2%.

There has been, and continues to be, concern about the number and percentage of affordable units constructed in the Live Oak area. The information in the paragraph above underscores the fact that a large percentage of the affordable units constructed in the County have been located in Live Oak. However, the affordable units in Live Oak represent only a small percentage of all units built in Live Oak in recent years. Information previously cited in Chapter 2, page 45 (Table 3.10), illustrates that affordable housing units represented 14% of all units constructed in the Live Oak area between 1985-89. Further, the Redevelopment Agency surveyed (Spring, 1991) pending affordable housing projects in the County and estimated that only 23 of the 403 pending affordable units would be located in the Live Oak area. Construction at the 101 unit Arroyo Verde project, being developed by the County Housing Authority, commenced in 1991 in the Pajaro planning area. The challenge in the 1991-96 Housing Element time frame will be to continue to disperse affordable units throughout the County in a manner that recognizes potential residential development scenarios, including the availability of appropriately zoned residential land.

Reduction of Residential Energy Use (Program 9.2.5.901)

The County continues to implement the provisions of County Code Chapter 12.22 which requires the installation of cost-effective weatherization techniques in connection with the sale or transfer of multi-family residential properties. In addition, through the permit processing procedure, the County implements Title 24 requirements with regard to energy conservation improvements.

EXISTING HOUSING CONDITIONS

The 1985 Housing Element established the goal of encouraging the private rehabilitation and conservation of existing housing units. The Housing Element further stated a specific objective of rehabilitating 1150 units and conserving 6000 units. Programs and policies were identified in the 1985 Housing Element which relied on both public and private actions to encourage rehabilitation and conservation of units.

Housing Rehabilitation and Conservation (Programs 9.3.1.901 through 9.3.2.905)

● Code Enforcement

County Environmental Health Services is responsible for enforcing the Housing Code and the Health and Safety Code. Planning Department staff (specifically inspectors from the Building Department and Code Compliance Division) report any possible violations to the Environmental Health Services staff. Further, the County revised the County Code in 1988 (with amendments in 1991) to establish civil penalties for illegal construction or conversion of residential structures. These revisions establish substantial penalties for construction or conversion of structures without benefit of a required building or development permit.

● Housing Rehabilitation

The major source of funding for housing rehabilitation programs has been the Community Development Block Grant (CDBG) program, originally administered by the U.S. Department of Housing and Urban Development and now administered by the State of California, Department of Housing and Community Development (for California communities). The County of Santa Cruz has received CDBG funds for housing rehabilitation since 1976; however, those funds have not been received on any consistent (i.e. annual) basis. In recent years, the award of these funds has become very competitive, with a large number of communities applying for a limited amount of funds. During the time frame of the 1985 Housing Element, the County of Santa Cruz has applied for CDBG funds from the State Department of Housing and Community Development on a yearly basis. However, only two of the County's applications were funded; these were in program years 1987 and 1990.

The 1987 and 1990 CDBG programs, as implemented by the County, allocated the majority of funds for housing rehabilitation assistance. Approximately \$522,600 was available in the 1987 program to provide financial assistance for the rehabilitation of 27 housing units. The 1990 CDBG program anticipates assisting between 26-27 housing units during the time frame of the program. The 1990 CDBG program has identified the Freedom, Davenport and Live Oak areas as the primary target areas in which housing units will be rehabilitated.

A significant change that was made in 1990 was the transfer of administration of the County's housing rehabilitation program (known as "HAND") to the Santa Cruz County Housing Authority. Because of the uncertainty and irregular nature of CDBG funding, it was difficult to continue to staff the housing rehabilitation program within the Planning Department. The Housing Authority, on the other hand, had qualified staff for other programs on-line who could also administer the rehabilitation program. Therefore, the County's housing rehabilitation program is now staffed by the Housing Authority, under the close supervision of the County Planning Department.

● **Relocation Assistance**

A Relocation Assistance for Displaced Tenants Ordinance was approved by the County Board of Supervisors in January, 1992. The ordinance adds new protections to tenants, by requiring three months of relocation assistance when tenants are displaced because property owners have not maintained their property to conform to health and safety standards, or because the unit is not legal under County Code provisions. The County Housing Advisory Commission and a broad spectrum of the community strongly supported the Relocation Assistance Ordinance.

● **Earthquake Related Rehabilitation**

The 1985 Housing Element did not, of course, anticipate the 1989 Loma Prieta earthquake and consequently, the Element contained no specific action programs to address its effects. However, there were many actions taken by the County to respond to rehabilitation efforts necessitated by the earthquake. Immediately following the October 18, 1989 earthquake, the County established an "Earthquake Recovery Unit," which was a free-standing division of the Planning Department. During the 12 months following the earthquake, the Earthquake Recovery Unit issued a total of 6,291 damage repair permits. In addition, the County of Santa Cruz was awarded approximately \$6 million dollars from the Federal Emergency Management Agency to be used to reimburse the County for costs related to earthquake recovery, for the rehabilitation of residential motels and community service centers and for rental rehabilitation efforts. The County Administrative Office, the Planning Department and the Housing Authority are responsible for the administration of these funds under the direction of the Board of Supervisors.

EQUAL HOUSING OPPORTUNITY

There were three objectives cited in the 1985 Housing Element with regard to equal housing opportunity: 1) promote equal housing for all persons, 2) clarify relationship between tenants and landlords, and 3) encourage housing that meets the need of physically handicapped persons.

Equal Housing for all Persons (Program 9.4.1.901 through 9.4.1.903)

The County has continued to allocate funds to Legal Aid to provide fair housing and anti-discrimination information to County households. This funding has been consistent through the 1985-90 time frame of the 1985 Housing Element. Legal Aid, funded in part with County CDBG funds, has provided information to County households on issues related to fair housing and anti-discrimination. In addition to Legal Aid, the County's Office of Consumer Affairs also provides equal housing opportunity information. Further, the County has continued to enforce Chapter 8.40 of the County Code which prohibits discrimination against families with children.

● **Tenant Landlord Information**

Legal Aid also provides information and counseling to County households with regard to tenant-landlord issues. In addition, the Office of Consumer Affairs in the County District Attorney's Office has also been an important resource in counseling tenants and landlords regarding their rights and responsibilities. The Office of Consumer Affairs provides information and also is a resource for referrals to other appropriate public and private agencies.

● **Security Deposit Interest Ordinance**

In 1988, the County adopted a Security Deposit Interest Ordinance, which stipulates that

interest be refunded to the tenant that is paid on security deposits for residential rental units.

● **Housing Suitable for Physically Handicapped Households**

The County has encouraged physically-accessible housing in both new construction and housing rehabilitation programs. The guidelines for the County's housing rehabilitation program allow modifications to housing units (grab bars, ramps, enlarged hallways and doorways, bathroom and kitchen improvements, etc.) so that the units can be more accessible for a physically-handicapped household member.

Several affordable housing developments constructed during the 1985-90 time period included units specifically designed for physically handicapped households. For example, the 74 unit East Cliff Village rental development includes 6 units designated for handicapped households. In addition, the Dominican Oaks, Seapines and Seaside housing developments also include units that are designed for physically handicapped households as well as elderly households.

Appropriateness of Goals, Policies and Objectives

The goals, policies and objectives from the 1985 Housing Element continue to be important issues to be addressed in the 1991-96 time period. The four overall goals of housing supply, housing affordability, existing housing conditions and equal housing opportunity as identified in the 1985 Housing Element are still very appropriate goals for 1991-96.

The goal of providing an **adequate housing supply** will continue to be one of the most important challenges for the County. Like other California communities, the County of Santa Cruz recognizes the need to balance new household demand with providing residential sites that have adequate infrastructure and community services. For the 1991-96 time period, the County will continue to evaluate the range of financially and environmentally feasible actions that it can take as a public agency to provide adequate residential sites with sufficient building permit opportunities to meet its regional housing needs. Further, while there are many actions that a public agency can take to encourage or support new housing construction, it is important to recognize that the major producer of new units is the private market. Factors such as the availability of construction or permanent financing, interest rate fluctuations, labor and material costs influence the decision making process of the private market as to whether new units will be built. Therefore, the challenge for the County of Santa Cruz will be to continue to encourage the production of housing units by the private market and to undertake as many public actions as financially feasible that will support the creation of new housing opportunities.

Housing costs have continued to increase, and it is unlikely that there will be any substantial change in this situation in the 1991-96 time frame. Therefore, the provision of **affordable housing opportunities** will remain a critical issue for many Santa Cruz County households. Rental housing traditionally has been the source of affordable housing for lower income households; but in Santa Cruz County, the average 2 bedroom rental is "unaffordable" to very low and lower income households. These households are forced to pay a substantial portion of their monthly income for housing resulting in reduced funds available for other household necessities like food, clothing and medical costs. Further, homeownership is an impossible dream for many County households. The ability to own a home is limited to households who either have substantial assets or an income almost twice that

of the median income for the County. The dual goals of providing more affordable housing units and protecting existing affording units are two of the most important objectives for the 1991-96 time frame.

It is important to recognize that Santa Cruz County cannot be solely responsible for assisting in the production of the County's future affordable housing stock. Significant increases in Federal and State subsidies will be necessary to satisfy either the State mandated AM-BAG or the County's projected affordable housing needs. For example, a total subsidy of between \$398-643 million dollars (this would include a subsidy of \$344-564 million for very low and lower income households, and a subsidy of between \$54-89 million dollars for moderate income households) would be required to produce the 4,675-7,672 units projected to satisfy the needs of the County's very low, lower and moderate income households. This total subsidy amount assumes an average subsidy of \$100,000 for very low and lower income households and \$41,000 for moderate income households, in order to close the "affordability gap" between what such households can afford to pay (30% of their income for housing) and the market rate cost of the units in Santa Cruz County.

The subsidy required to meet the "affordability gap" for the 3,356-5,507 very low and lower income households alone significantly exceeds the County's entire proposed 1991-92 budget of \$235 million dollars and exceeds the entire State Department of Housing and Community Development's (HCD) adopted 1991-92 net program budget of \$327.66 million dollars. Clearly, the County cannot provide these subsidy levels. Although the 1970's represented a decade of expanding Federal and State housing assistance, this was severely curtailed during the 1980s. Federally subsidized housing starts averaged more than 29% of all housing starts in 1970, dropped to 5% in 1984, and plunged even lower in recent years. HUD's budget has declined from 7% of the total federal budget to 1% of the 1988 budget. What little Federal funding remains for housing has shifted away from construction of low income units towards providing direct subsidies to lower income tenants, but these direct subsidies have been declining annually as well. Without a dramatic reversal of this trend at the Federal and State level, the pressure will continue to build at the local level.

With the increasing cost of housing and the difficulty of providing new units, **maintenance of the existing housing stock** is an even more serious concern than it was in 1985. The County's existing housing stock is an important resource that needs to be maintained and improved during the 1991-96 time frame. The existing units in the housing stock continue to age and, with that aging process, there is often the need to repair or replace important systems such as electrical, plumbing, heating, weatherization, etc. Approximately 43% of the County's existing housing stock was more than 30 years old in 1990 and it is estimated that 59% of the 1990 stock will be more than 30 years of age by the year 2000. Therefore, the need for housing rehabilitation and maintenance programs will increase in the 1991-96 time frame due to the increase in the number of units "aging" in the housing stock.

Finally, **equal housing opportunity** will remain an important goal for all communities. The County of Santa Cruz will continue to enforce federal, state and local laws prohibiting discrimination due to factors such as race, color, sex, age, creed, national origin, or family composition. Further, the adequate dissemination of fair housing information and landlord-tenant rights and responsibilities is an important activity as long as there are new household formations and new households entering the housing market.

**Table 4.2: Summary of Programs, Actions and Accomplishments
1985-90**

GOALS	OBJECTIVE	PROGRAMS/ACTIONS	ACCOMPLISHMENTS
Housing Supply	4,890 Units	<p>Building Permit Allocations</p> <p>Growth Directed to Urban Areas of County</p> <p>Permit Processing System Improvements</p> <p>Affordable Housing Outreach Program</p>	<ul style="list-style-type: none"> ● 4,842 Permits allocated from 1985-90 ● 60% of Building Permits Issued were for units in Urban areas (1985-89) ● 1989-90: Program Initiated ● 1990: Program Initiated
Housing Affordability	-----	<p>Maintain Existing Affordable Units</p> <p>Create New Affordable Housing Units</p> <p>Redevelopment Affordable Housing Programs</p> <p>Housing Resource Programs</p> <p>Affordable Second Units</p>	<ul style="list-style-type: none"> ● 1985-90: Programs Continued to Protect Mobile Home Park Residents ● 1990: Foreclosure Fund Established ● 2,000 Building Permits Allocated for Affordable Units (as of 1/91)) ● 283 Affordable Units Constructed, 1985-90 ● Congregate Care Study ● Redevelopment Agency established; Board adopts May, 1990 Housing Program Guidelines; \$7 million dollar bond monies authorized for affordable housing ● 145 Mortgage Credit Certificates issued ● 15 Households assisted with Mortgage Revenue Bonds ● 244 elderly households matched in shared housing ● 11 Affordable Second Units Approved

**Table 4.2: Summary of Programs, Actions and Accomplishments
1985-90 (Continued)**

GOALS	OBJECTIVE	PROGRAMS/ACTIONS	ACCOMPLISHMENTS
Affordable Housing (cont.)		Affordable Housing Sites	<ul style="list-style-type: none"> ● Inventory of Vacant Land Updated ● 1990: Evaluation of potential housing sites throughout County ● County purchase of O'Neill Ranch, with commitment of providing 100 units of affordable housing on site ● Reduction in percentage of affordable units constructed in Live Oak
Existing Housing Condition	1,150 Units Rehabilitated	Housing Rehabilitation Program (HAND)	<ul style="list-style-type: none"> ● 1987-89: 27 Units Rehabilitated ● 1990: CDBG funds awarded to rehab 26-27 units
		Earthquake-Repairs	<ul style="list-style-type: none"> ● 6,291 damage repair permits issued ● \$6 million dollar FEMA settlement to be used for repairs
Equal Housing Opportunity	-----	Tenant Landlord Information/Fair Housing	<ul style="list-style-type: none"> ● 1985-90 County continues to fund Legal Aid to provide information and referral ● County Office of Consumer Affairs provides tenant-landlord and fair housing information
		Security Deposit	<ul style="list-style-type: none"> ● 1988: Adoption of Security Deposit Ordinance

CHAPTER 5: EXISTING HOUSING RESOURCES

The County of Santa Cruz has developed a range of housing programs and resources in recent years. These include programs that encourage or assist with the actual construction of affordable units, housing rehabilitation programs, financial assistance programs, and various support service resources. These housing programs and services are summarized below according to the following three subject areas:

1. Affordable Housing Unit Inventory
2. Housing Resource Programs
3. Housing Support Services

1. Affordable Housing Unit Inventory

As of December, 1990, there were a total of 1,395 housing units in the unincorporated area of the County that are considered "affordable" housing units. "Affordable" in this case means that the units have been developed with governmental assistance and, therefore, there are legal restrictions which control the affordability of the unit for a certain period of time. For example, units directly assisted with certain Federal housing programs are considered as "affordable" but units assisted with Mortgage Credit Certificates, which have no long term affordability restrictions, are not included. The 1,395 total includes units built under the County's Affordable (Inclusionary) Housing Program (also known as "Measure J"), housing developments that have received governmental assistance (Federal or State), and units produced pursuant to the County's "Affordable Second Unit," "Accessory Second Unit," "Owner Builder," and "Small Contractor" programs. Therefore, the 1,395 unit total includes the 987 affordable units constructed between 1980-90 as discussed previously on page 54 of this document. Specific information regarding the 1,395 affordable units is summarized in the table at the end of this section, beginning on page 72.

In addition to these 1,395 affordable units, there are also approximately 423 rental subsidies being used by County households under the Section 8 program, which is operated by the Santa Cruz County Housing Authority.

There are seventy mobile home parks in the unincorporated County, containing 3,724 mobile homes and 1,278 recreational vehicle spaces, according to 1991 data. (See Appendix #19 for a complete listing of all mobile home parks.) Chapter 13.32 of the County Code (the Mobile Home Rent Stabilization Ordinance) regulates the rent increases that may be charged to mobile home coach owners renting spaces within mobile home parks in the unincorporated County. The law allows rents to be increased annually by 50% of the Consumer Price Index, with additional rent increases possible through special rate adjustments. The law is intended to protect coach owners from financial difficulty and the hardship and expense of possible relocation, due to unreasonable rent increases by park owners.

Affordable (Inclusionary) Housing Program

The Affordable (Inclusionary) Housing Program first became operative in 1979-80 as a result of voter approval of Measure J. The Inclusionary Housing Program requires that 15% of all new units/lots in projects of 5 or more units/lots be affordable to low or moderate

income households. Inclusionary units are typically located in the market-rate project being developed, although they can be off-site. From 1980 to 1990, there have been 541 units produced as a result of the Inclusionary Housing Program. These units include both ownership and rental units and are located throughout the County. Their affordability restrictions are monitored by the Santa Cruz County Planning Department and Housing Authority. The Planning Department works with developers on satisfying their affordability requirements. In 1990, the Planning Department initiated an evaluation of the Inclusionary Ordinance (known as the "Affordable Housing Requirements," County Code Chapter 17.10) and revisions to that Ordinance will be presented to the Board of Supervisors in early 1992.

It is important to note that the inclusionary units built as of December, 1990 have included a mix of units developed by both the private market as well as non-profit groups. Further, some of the inclusionary units have received governmental assistance in the form of federal financial assistance or bond financing. There are basically two types of units included in the Inclusionary Program; these are:

- ✓ large developments assisted with federal or bond financing, of which portion of the total units received inclusionary housing credits, and
- ✓ smaller, scattered site developments with the inclusionary units mixed in with market rate units or "freestanding" on their own. An example of a smaller development is the "Habitat for Humanity" 3 unit project in Soquel, where all the units are designed for very low income households and are deed restricted.

In the table at the end of this chapter, the inclusionary units are classified as either "scattered site" units or larger projects which have been assisted through federal or bond financing.

Specific Housing Developments: Federally Assisted/Bond Financed

There are a total of 807 federally assisted or bond financed affordable housing units in the unincorporated areas of the County. Of these, 439 units (54% of total) are specifically designated for senior/handicapped households and the remaining are available for families. These units have been assisted with federal funds or bond financing, and are available at affordable rents for very low and lower income households. The table at the end of this chapter includes information on each of the federally assisted housing developments in the unincorporated area of the County. It should be noted that some of these units were built pursuant to the County's Inclusionary Housing Program. Consequently, "credits" for a portion of the units were generated and were transferred for use in other market rate units.

Specific Housing Developments: State Assisted

There are 142 State-assisted units available for farmworker households in the unincorporated areas of the County. Approximately 106 of these units are located in the Buena Vista project and are available only on a seasonal basis. The remaining 36 units are located in the Tierra Alta development and are permanent housing units.

Innovative Transfer of Housing Credits Program

Santa Cruz County has been recognized for providing an assortment of incentives and policies aimed at developing and maintaining affordable housing options within the context of a growth management system. In 1981, for example, the County received a special award from the Department of Housing and Community Development in recognition of the innova-

tive "Transfer of Housing Credit" program established within the County's affordable housing program.

The Transfer of Housing Credit program allows developers providing at least 35% affordable units within a residential development to acquire "credits" for up to 50 percent of the affordable units provided, which then can be sold to other developers to assist in their affordability requirements. By creating this "affordable housing bank," the County has provided an incentive for developers to devote a minimum of 35 percent of a project to affordable units.

Second Unit Programs

The County has developed Second Unit Programs which allow an additional unit to be constructed on a lot with an existing single family dwelling, or in conjunction with a new dwelling on the same lot. There are three types of second units: "Affordable Second Units," "Accessory Second Units," and guesthouses. The first two types are restricted to low income households. The third type, guesthouses, have no affordability restrictions nor kitchen facilities. As of December, 1990, approximately 11 affordable second dwelling units had been permitted by the County.

Owner Builder Program

An owner-builder who meets the eligibility criteria of the Affordable Housing Requirements can be eligible to obtain an affordable housing building permit. The owner-builder would have to be of low or moderate income, and the unit built would be required to meet the maximum sales price for a new unit from the Income, Asset, and Unit Price Guidelines of the Affordable Housing program. There have been 4 owner builder units constructed as of December, 1990. This program was effective when permit allocations were scarce but is no longer considered to be a necessary program and will probably be eliminated.

Section 8 Rental Subsidies

The Santa Cruz County Housing Authority manages the federally subsidized Section 8 program. The Section 8 program provides rental subsidies that assist very low and low income households throughout the County. The subsidies are known as Section 8 Certificates or Vouchers and help to pay for a portion of a lower income household's monthly rent. In 1990, the Housing Authority managed 423 Section 8 subsidies for households living in the unincorporated area of the County and maintained an extensive waiting list of households desiring Section 8 assistance.

Density Bonus Program

The County's General Plan and Local Coastal Plan contain provisions for obtaining a 25% density bonus if a project contains at least the required percentage of affordable units or units serving qualified residents. The County's density bonus provisions were consistent, but in excess, of those of the State Density Bonus law in effect until 1990. When the State law was changed, the County initiated a process to draft a County density bonus ordinance consistent with the new State law. The County's implementing ordinance is now under review by the HAC, Planning Commission and Board of Supervisors.

The density bonus provision was not used effectively from 1985-90 but, in early 1991, a lower income senior project in south County requested and received a 42% density bonus.

2. Housing Resource Programs

In addition to specific units designated as affordable units, there are also several programs that support the production and/or conservation of affordable housing opportunities.

Shared Housing Program

Senior Network Services has been administering the Shared Housing Program under contracts with both the County and the other incorporated areas within the County. The program "matches" elderly households with other households in shared housing arrangements. From 1985-90, Senior Network Services matched 244 households in the unincorporated area of the County. Senior Network Services also provides housing information to elderly households with regard to the type of affordable housing units available in the County. A summary sheet is updated on a regular basis which provides information on the type and location of housing resources available to elderly households in the County.

Mortgage Credit Certificate Program

The Mortgage Credit Certificate (MCC) program has been available in the County since 1988. For the first two years, the program was managed by the County Planning Department but is currently operated by the County Housing Authority. The MCC program assists moderate income households who are trying to purchase their first home. Mortgage Credit Certificates annually provide a 20% federal tax credit against the mortgage interest of the home purchased. As of January, 1991, 145 MCCs had been issued in the County and 31 of those had been associated with the purchase of an inclusionary unit.

Mortgage Assistance Program

San Francisco Federal has been awarded Affordable Housing Program funds through the Federal Home Loan Bank to provide a mortgage assistance program in the County for approximately 25 households. The assistance is anticipated to be in the form of "silent second" mortgages on the purchase of a property; typically, there are no monthly payments required on a silent second mortgage until either the household can afford to begin repaying or when the property is sold or title transferred. The program is scheduled to be implemented in 1991.

Housing Foreclosure Fund

In 1990, the County established an Affordable Housing Foreclosure Procedure and earmarked funds within the County's dedicated Housing Fund to be used for that purpose. The revolving fund is to be used to preserve the County's affordable housing stock from foreclosure or other risks that would trigger their conversion to market-rate housing. In the event of a foreclosure, monies would be used to pay the delinquent portion of the loan and to obtain title to the property, or cure the default without purchase, so the unit can remain affordable and be sold to an income eligible purchaser.

The Affordable Housing Foreclosure monies were generated through the Affordable Housing Ordinance's in-lieu fee provision. With this, developers pay an in-lieu fee for affordable housing to the County instead of building out their required inclusionary housing. The in-lieu fee is equal to either the appraised value of the improved affordable lot, or the price of the first market-rate parcel sold in the subdivision. The County's Redevelopment Agency

also decided to participate in this process, as necessary, to retain affordable units using RDA's low and moderate income funds.

Housing Rehabilitation Programs

There are several programs available to assist with rehabilitating housing units.

● **HAND (Housing Assistance and Neighborhood Development):**

These are low interest or deferred loans to property owners to assist them in rehabilitating their property. County staff directly administered the HAND program until 1990. In 1990, the County received \$500,000 from State Community Development Block Grant (CDBG) funds for HAND and contracted with the Housing Authority to operate the program. However, the County still retains full control and management of the program. It is estimated that the \$500,000 funding level will assist approximately 27 owner occupied households in rehabilitating their homes during the next 24 months.

● **Earthquake-Related Assistance:** The Housing Authority is also managing the CALDAP (California Disaster Assistance Program) program for eligible County households. As of 1/1/91, the Housing Authority estimated that they had approximately \$10 million dollars allocated from CALDAP and that they had processed 56 loans to date. Of the 56 loans, 30 loans went to households located in the unincorporated areas of the County.

In addition, approximately \$6 million dollars has been awarded by the Federal Emergency Management Agency (FEMA) to the County of Santa Cruz as a result of the settlement of a class-action lawsuit filed by quake victims in three northern California counties (San Francisco, Alameda and Santa Cruz). The funds are to be used to rehabilitate residential motels and community service centers which provide housing to lower income households. Approximately \$1 million dollars of the total funds has been allocated to rental rehabilitation assistance and, of that amount, \$338,666 is specifically allocated for projects in the unincorporated areas of the County. It is estimated that approximately 15-20 rental units will be rehabilitated with these funds. The Housing Authority is administering this rehabilitation program for the County.

Redevelopment Tax Increment Funds

The County's Redevelopment Agency will be an important participant in the development of affordable housing opportunities in the 1991-96 time period. Redevelopment Agencies are required by State law to devote 20% of bond proceeds or tax increments generated from a project area to increase, preserve and improve the community's supply of low and moderate income housing. These funds form the capital for the "Low and Moderate Income Housing Fund," which is typically managed by the Redevelopment Agency and used to fund housing projects. State law also contains specific provisions for the use of these funds, long term affordability requirements, and replacement housing provisions. A specific provision recently approved by the State legislature (Health and Safety Code Section 33334.4) creates a linkage between the use of Redevelopment funds and Housing Element programs. This new provision requires redevelopment agencies to spend monies in the Low and Moderate Income Housing Fund to assist very low and lower income households in at least the same proportion as the total number of housing units needed for those two

income categories which are not being provided by other governmental programs. Although the legislation is silent as to how the relative need for units is to be identified, it is generally recommended that the needs as identified in a community's Housing Element be used for that purpose. Therefore, the estimated need by household income category as outlined in Chapter 8 of this Element should be used as a guide for Redevelopment funds.

In 1990, there was approximately \$7 million dollars in the Agency's Low and Moderate Income Housing Fund and the Agency was operating in one project area, the Live Oak-Soquel area. In order to best utilize these funds and to develop some long-term strategies, the Redevelopment Agency prepared a report in May, 1990 ("Housing Report: Recommendations and Program Guidelines") which presented background information and project policy recommendations. This report was subsequently approved by the Agency's Board of Directors (the County Board of Supervisors) and Agency staff was directed to begin implementation of the Agency's housing programs. The report identifies four general program areas in order to encourage new affordable housing development:

1. New Construction (development of new affordable rentals or first time homeowner units),
2. Site Acquisition (development of 100% affordable units or mixed income or mixed use projects with affordable units),
3. Apartment Rehabilitation and Preservation Program (acquisition and rehabilitation of existing housing and/or conversion to limited equity coops), and
4. Mobile Home Park Acquisition and Conversion Program (conversion of mobile home parks to cooperative ownership).

The report stipulated that the Redevelopment Agency anticipates using a substantial portion of their Low and Moderate Income Housing funds for low and very low income projects. Since adoption of the 1990 report, Agency staff has been active in evaluating potential housing developments and projects. Following are the housing developments projected to be assisted with Redevelopment Housing funds as of Summer, 1991:

1. 18 Units	Stepping Out	Rental Units for Very Low Inc. Disabled (New Const.)
2. 31 Units	Lagoon Beach	Limited Equity Coop for Very Low Inc. Families (Rehab)
3. 34 Units	Ace High	Mobile Home Park Coop for Lower Inc. Seniors (Rehab)
4. 2 Units	Habitat	Self-Help Units for Very Low Inc. Families (New Const.)
5. 39 Units	Cunnison Lane	Rental Units for Very Low Inc. Families (New Const.)
6. 21 Units	HIP	Rental Units for Very Low Inc. Disabled (New Const.)
7. 15 Units	Merrill Road	Rental Units for Very Low Inc. Families (New Const.)
8. 100 Units	O'Neill Ranch	Mix To be Determined , Very Low /Lower Inc. (New Const.)
9. 2 Units	Juan Pablo	Owner Units for Very Low and Lower Inc. (New Const.)
262 Total Units		

The Redevelopment Agency plans to assist other affordable units in addition to those noted above during the time frame of this Housing Element. The 262 units listed above represent only those developments that were in progress at the time that the Housing Element was being prepared. In addition, these units are in various stages of development and the actual unit counts may vary when developments are actually constructed.

In addition to the Live Oak-Soquel area, the Redevelopment Agency is evaluating the potential of establishing new project areas in Aptos and San Lorenzo Valley. Therefore, it is possible that these areas will also benefit from Redevelopment housing funds.

3. Housing Support Services

The services and organizations that follow assist in protecting and encouraging affordable housing opportunities in the County.

Fair Housing and Tenant/Landlord Issues

Fair housing information and tenant-landlord dispute mediation is available through the Legal Aid Society. These activities have been funded by the County Planning Department using either Community Development Block Grant (CDBG) funds received by the County or program income from past CDBG activities (i.e. when housing rehabilitation loans are paid back).

In addition, assistance with regard to tenant/landlord issues is available through the Office of Consumer Affairs in the County District Attorney's office. Information and resources are provided to both tenants and landlords regarding their rights and responsibilities. Further, the County Planning Department and Office of Consumer Affairs assist tenants and landlords with the Security Deposit Interest Ordinance passed by the County in 1988. See page 59 of the Element for a description of this Ordinance.

Counselling Programs

The County Planning Department and the Housing Authority have both offered various housing counselling programs. Under contract to the County Planning Department, the Housing Authority sponsors "Affordable Housing" seminars on a twice monthly basis. These seminars provide information to potential homebuyers on how to work with title companies and real estate agents, the types of housing available, the escrow process, etc. In addition, the Housing Authority also provides mortgage default counselling, home equity conversion counseling and counseling in regards to tenant-landlord complaints in federally funded projects.

County Commissions and Committees

The County of Santa Cruz **Housing Advisory Commission** (HAC) plays an important role in helping the County to maximize overall housing resources. The Housing Advisory Commission is composed of citizens appointed by the Board of Supervisors to discuss and provide recommendations on issues related to housing in the County. The members of the Commission represent the various geographic areas of the County and meet on a monthly basis. The Commission is jointly staffed by the County Housing Authority and the County Planning Department. The Commission provides its recommendations regarding housing issues to both the County Planning Commission and the Board of Supervisors.

The **Affordable Housing Coordination Committee** is convened by the County Administrative Officer at the direction of the Board of Supervisors to assist in coordination of affordable housing production and information. The Committee meets monthly and is attended by the Housing Authority, Redevelopment Agency, Planning Department, County Administrative Office and Human Resources Agency. The **Mental Health Housing Advisory Committee** was established as a result of the Mental Health report and Grand Jury recommendations to develop means to produce more housing for mentally disabled households. The committee meets monthly or more often as needed. In addition to the groups noted above, other County commissions or committees that evaluate housing issues are the Seniors Commission (senior housing issues), the Agricultural Policy Advisory Commission (farmworker housing), Mobile Home Commission (mobile homes) and the Long Term Care Committee (housing for elderly and disabled).

Non-Profit Agencies and Organizations

The County is fortunate to have several non-profit agencies and organizations that are involved in housing development. The Santa Cruz County Housing Authority is very active in the management of housing programs as well as developing new housing opportunities. Non-profit housing developers active in the County include Santa Cruz Community Housing Corporation, Habitat for Humanity, Mid-Peninsula Housing Corporation, Housing for Independent People, CHISPA and Pajaro Valley Affordable Housing Corporation.

County Regulatory Procedures

The County has approved several Ordinances and revised portions of the County Code in support of housing programs. Some of the more significant County actions are: Chapter 17.10: Affordable Housing Requirements (which specifies requirements for the inclusionary housing program); the "Income, Asset and Unit Price Guidelines" (which contain affordable unit standards, sales and rental prices, income determination, etc. and which is the implementing document for the Affordable Housing Requirements); Chapter 13.30 (which restricts mobile home park owners from converting their parks to other uses); Chapter 13.13 (which is the mobile home rent stabilization ordinance); Chapter 12.06 (which specifies procedures for demolition and replacement of habitable residential structures); Chapter 13.10.681 and 685 (which cover affordable second dwelling units and accessory second dwelling units); and, Ordinance 3951 (which establishes penalties for illegal construction or conversion). Amendments to Chapter 13.10 were adopted to clarify requirements governing the location and type of farmworker housing that can be built in the County. Ordinances which address the County's existing rental housing stock are the Condominium Conversion and the Security Deposit Interest Ordinances.

The Planning Department has prepared major revisions to the Affordable Housing Ordinance and the Income, Asset and Unit Price Guidelines. Proposed is an increase in the inclusionary requirement to either 20% or 25%, depending on the scale of the project. Also proposed is elimination of in-lieu fees and more flexible requirements for non-profit housing developers. The County has proposed an ordinance to implement the State Density Bonus law. These proposals are expected to be reviewed and action taken in early 1992.

Total Affordable Units	Inclusionary Units	Housing Program/Project	Location	Type of Household Assisted
Scattered Sites				
365	365	Inclusionary Housing Program (Rental and Ownership Units)	Countywide	Very Low, Low and Moderate
Housing Projects: State Assisted				
36	0	Tierra Alta (Rentals) Permanent Farmworker Housing	Pajaro Valley	Very Low Income <i>Farmworker Families (36 Units)</i>
106	0	Buena Vista (Rentals) Seasonal, Office of Migrant Service	Pajaro Valley	Very Low Income <i>Farmworker Families (106 Units)</i>
35	0	Ace High Mobile Home Park Cooperative Ownership	Live Oak	Very Low and Low
31	0	Lagoon Beach Cooperative Ownership	Live Oak	Very Low and Low
Housing Projects: Local				
4	4	Owner Builder Program (Owners)	Countywide	Very Low, Low and Moderate
11	0	Affordable Second Units (Rentals)	Countywide	Very Low and Low
<u>588</u>	<u>369</u>	Sub-total for this page		

Table 5.1 Inventory of Affordable Housing Units (December, 1990)

Total Affordable Units	Inclusionary Units	Housing Program/Project	Location	Type of Household Assisted
Housing Projects: Federal or Bond Assisted				
76	28	Volunteers of Amercia (Rentals) HUD Section 202/Section 8 <i>(Transfer of Credits Generated)</i>	Live Oak	Very Low and Low Income <i>Senior/Handicapped (76 Units)</i>
126	63	Elizabeth Oaks (Rentals) HUD 221 (d) (4)/Section 8 <i>(Transfer of Credits Generated)</i>	Live Oak	Very Low and Low Income <i>Senior/Handicapped (48 Units)</i> <i>Family (78 Units)</i>
105	0	Pajaro Vista (Rentals) HUD Section 221 (d)(4)/Section 8	Pajaro Valley	Very Low and Low Income <i>Senior/Handicapped (105 Units)</i>
27	0	Seapines (Rentals) Section 8	Aptos	Very Low and Low Income <i>Senior/Handicapped (6 Units)</i> <i>Family (21 Units)</i>
84	0	Seaside (Rentals) HUD Section 221 (d) (4)/Section 8	Live Oak	Very Low and Low Income <i>Senior /Handicapped (16 Units)</i> <i>Family (68 Units)</i>
80	29	Seascape Senior (Rentals) HUD Section 202/Section 8 <i>(Transfer of Credits Generated)</i>	Aptos	Very Low and Low Income <i>Senior/Handicapped (80 Units)</i>
200	0	Villa San Carlos (Rentals) HUD Section 236/Section 8	Live Oak	Very Low and Low Income <i>Senior/Handicapped (56 Units)</i> <i>Family (144 Units)</i>
57	0	Public Housing (Rentals)	Countywide	Very Low Income <i>Family (57 Units)</i>
52	52	Dominican Oaks (Rentals) (52 of 206 units are inclusionary)	Live Oak	Very Low and Low Income <i>Senior/Handicapped (52 Units)</i>
807	172	Sub-total for this page		
1395	541	Total for Pages 72-73		

CHAPTER 6: VACANT/UNDERDEVELOPED LAND

To evaluate the potential for new housing units in the County, an analysis was conducted by the Planning Department of vacant and underutilized land within the urban portions of the unincorporated County. The analysis is being used as background to the County's General Plan Update, now in progress (1991-92). A similar build-out analysis was conducted for the rural areas of the County several years ago; this analysis has been updated each year to account for new building permits issued.

● Urban Area Build-Out Potential

The analysis was conducted with the use of a parcel-based, computer model and a field inventory of existing land use. The field inventory, conducted in 1990, provides an accurate representation of total existing residential and non-residential land use in the urban area. The computer build-out model allows the County to estimate how many units could be built within the urban area given existing (or revised) zoning. The build-out model uses parcel-specific zoning designations and precise parcel acreage figures from the County's computer mapping data base.

The build-out model relies on the following basic variables: parcel size, existing land use, zoning designation, and a "net developable" factor which accounts for land that is unavailable for residential development because of roads, easements, environmental constraints and other constraints. The variables were determined by file checks of approved and constructed development in each category. For example, for parcels without special environmental overlay zones, typically 70-80% of the parcel was developable. For areas with significant environmental constraints, lower factors were identified. For each zoning category, a separate "net-developable" factor was calculated.

Using these variables, the model calculates future build-out potential. For vacant parcels the calculation is relatively simple. For residential use, the size of the lot (e.g. 10 acres) is multiplied by the density as prescribed by zoning (e.g., R-1-6 means 6,000 square foot lots minimum or 6-7 units per acre), then multiplied by the net developable factor (e.g. 70% for the larger 10 acre site to achieve the total number of units buildable; in this hypothetical example, 49 units ($10 \times 7 \times .7$)).

The assumptions implicit in this calculation are: (1) existing zoning is assumed; and (2) the developable land area is an average of similar sized and zoned parcels previously developed in the urban area. For properties which are already built upon, but which could, under existing zoning, be intensified (i.e. so-called "underutilized" parcels), the model only calculates the additional development potential. For example:

Parcel size - 5 acres; Existing land use - 2 houses; Zoning - R-1-5 (i.e. single family residential with 5,000 square foot minimum lot size); no special environmental constraints so a 70% developability factor is assumed. Calculation: 5 acres x 8 units x .70 - (2 existing units) = 26 units potential.

For this report, the build-out model was used to test how much development potential remains within the urban area assuming existing zoning designations. Table 6-2 on

page 76 illustrates the results of the build-out model runs for residential use assuming existing zoning. A range for potential additional units is shown. The difference is that the maximum build-out assumes all redevelopment and intensification occurs based on allowable zoning. The minimum build-out assumes that some existing uses remain in tact even though the underlying zoning theoretically allows for more.

Approximately 6610 to 7780 residential units could be added in the urban area to reach build-out under existing zoning. Live Oak and Aptos would absorb the majority of those units accounting for 30-33% respectively of the added urban area units. As the table indicates the majority of each planning area is already built-out (65-86%) with the exception of the urban Pajaro Valley.

● Rural Area Build-Out Potential (Outside of Urban Services Line)

Table 6.2 summarizes the build out potential within the Urban Services Line. The Urban Services Line is designed to provide a certain level of services and facilities which are more "urban" in character. The remaining portions of the County are considered rural and are designed for lower density development. According to information collected by the County Planning Department, there is a potential for up to 6,699 additional units at General Plan "Buildout" in rural areas of the County. This information was developed in mid-1990 and is based on a January 1, 1990 count of 24,737 existing units in rural areas and a projected total of 31,436 units at buildout, thereby resulting in the potential for 6,699 more units between 1990 and buildout. (Please note: "Build-out" potential includes both vacant as well as underdeveloped parcels.) Following are the estimated potential units by Planning Area:

**Table 6.1 Estimated Dwelling Units at Buildout
Rural Areas (Outside of Urban Services Line)
August, 1990**

<i>Planning Area</i>	<i>Estimated New Units at Buildout</i>
Aptos Hills	531
Bonny Doon	348
Carbonera	729
Eureka Canyon	740
La Selva Beach	634
North Coast	324
Pajaro Valley	187
San Andreas	207
Skyline	721
San Lorenzo Valley	1,222
Salsipuedes	265
Summit	791
TOTAL	6,699 Units

Source: "Housing and Population Estimates," County Planning Department, 8/90

Table 6-2 : Build-Out Model Results Summary: Urban Area Assuming Existing Zoning *

Planning Area (within Urban Services Line)	Total Acres	Total # Parcels	Total Existing Housing Units	Range of Potential Additional Housing Units	Range of Total Housing Units at Build-Out	Range of Percent Built-Out Today	Range of % Additional Units Relative to Other Planning Areas
Carbonera	1,293	1,754	1,498	360-430	1,858-1,928	80%	5-6%
Live Oak	2,305	8,315	11,598	1950-2400	13,548-13,998	83-86%	30-31%
Soquel	979	2,599	3,110	600-750	3,710-3,860	80-84%	9-10%
Aptos/Aptos Hills (small area)	2,747	8,553	7,830	2200-2400	10,030-10,230	76-78%	31-33%
Pajaro Valley	1,121	2,855	3,401	1500-1800	4,901-5,201	65-69%	23%
Total Urban Area	8,446	24,076	27,437	6610-7780	34,047-35,217	78-81%	

Total Rural Area Build-Out (from 1990 Growth Trends Report) 6,700 additional units

*Note: Zoning categories were assumed for all calculations except in the Pajaro Valley where inconsistencies between zoning and general plan designations required revisions using general plan categories. Also, where multiple zonings or special use zonings did not allow the model to calculate a potential unit total, manual calculations were conducted.

Table 6.3 on the next page breaks down the potential build-out into the various income ranges which respond to the regional new construction goals. The table was constructed by running the urban area computer build-out model using certain designated zoning categories. For example, it was assumed that "very low income" housing can only be achieved on the highest density zoned lands; in this case multi-family housing at the highest densities in the County. In all cases, there have been actual affordable projects built, relatively recently, which support the use of the density ranges in the analysis.

The conclusions of this analysis show that there is potential for 5,410 new affordable units in the County, most located within the urban services line. This breaks down into 2,350 units of very low income housing; 680 units of lower income housing and 2,380 units of moderate income housing. These unit potentials do account for both vacant and underutilized type parcels, but they do not account for any potential rezonings, density bonuses, nor any residences built on non-residentially zone lands, which is a common occurrence in Santa Cruz County. It is also noteworthy that zoning designations often underestimate unit potential relative to General Plan designations. General Plan designations provide for density ranges (urban high 14-22 units per acre, urban medium 8.7-14.5 units per acre, etc.). Affordable projects in particular often are granted the upper end of the range which results in a greater number of units than underlying zoning might allow. For example, the Paloma del Mar project recently was approved for 130 units taking advantage of the upper end of the General Plan range and a nearly 40% density bonus. In general, the build-out potential calculated here is a conservative one and actual development potential is higher.

This build-out analysis is theoretical only, showing unit potential based on existing adopted zoning. It is not a projection; that is, it does not indicate that the number of units will occur. And, like all build-out models, this analysis is subject to change over time as development and redevelopment occur; as the General Plan and zoning are revised; and as the dynamic land development market proceeds. The analysis indicates only that some Planning Areas, such as Live Oak, have greater potential for providing housing in affordable income categories than other areas. The County's policies, however, clearly articulate that affordable housing is to be equitably distributed throughout the urban areas of the County. Therefore, to accomplish long-term housing objectives, the General Plan Update will look toward each Planning Area accommodating its reasonable fair share of affordable housing, when public services are available and other impacts or constraints can be mitigated.

● Non-Residential Land (Within Urban Services Line)

There are also vacant parcels within the County that are designated for commercial, industrial or agricultural use. Using data from the County Assessor's office as of February, 1991, there were 77.7 acres of vacant, commercially designated land and approximately 2.15 acres of land with an industrial use code in the County. Further, there were 45 acres of agricultural land (primarily in the Pajaro Valley) within the Urban Services Line.

TABLE 6-3: POTENTIAL NEW UNITS IN THE COUNTY BY INCOME CATEGORY

	VERY LOW INCOME	LOWER INCOME	MODERATE INCOME	TOTAL AFFORDABLE	ABOVE MOD. INCOME	TOTAL
Applicable (1) Zoning Categories	Multi-Family Zoning (RM) Approx. 12 units/acre to 22+ units/acre	Multi-Family Zoning (RM) 8-12 units/acre plus Designated Sites	Small Lot Single Family Zoning zero lot line, (R-1-5, R-1-6) Plus Designated Sites		All Other Residential	
Area of County	(Figures in Units)					
Carbonera	0	0	10	10	420	430
Live Oak **	1250	390	700	2,340	60	2,400
Soquel	200	50	290	540	210	750
Aptos	640	120	740	1,500	900	2,400
Pajaro (2)	260	120	440	820	980	1,800
Rural Areas (3)	0	0	200	200	6,500	6,700
TOTAL	2,350	680	2,380	5,410	9,070	14,480

Source: Santa Cruz County Planning Department Build-Out Analysis, 1991.

- (1) Parcel-specific zoning was used for all parcels except where multiple zonings or Special Use (SU) zoning required a manual calculation relying on General Plan land use category.
- (2) In the Pajaro Valley, where a significant number of large urban parcels have zoning which is inconsistent with the General Plan designation, manual revisions were required to provide an accurate build-out estimate.
- (3) The figures for the rural areas of the County are derived from the 1990 Growth Trends Report from the Santa Cruz County Planning Department which is based on build-out analysis conducted in the mid-1980's.

**** Please see page 77, 3rd paragraph, for additional information regarding Live Oak Planning Area**

CHAPTER 7: HOUSING CONSTRAINTS

There are conditions created by economic forces in the private market as well as regulations and programs imposed by public agencies that can affect housing development. These constraints impact the production of new housing as well as the maintenance and improvement of existing housing. Below is an analysis of both market (non-governmental) and governmental constraints that could affect the housing stock in the County.

Market (Non-Governmental) Constraints

Private market forces that affect housing primarily include those factors that influence the cost of housing. These factors are land and construction costs (including infrastructure improvements), and financing costs.

● Land and Construction Costs

Land costs for new residential development vary depending on their location and their size. (All costs cited in the following paragraphs are estimates based on asking/selling prices occurring in the 1989-91 time frame.) Standard single family lots within urbanized areas, usually on “in fill” parcels and less than 10,000 square feet in size, are typically in the \$100,000-\$250,000 range (\$175,000 would be a mid-range figure). These lots usually have most infrastructure improvements completed and are ready for construction. Larger parcels of land, usually on the Urban-Rural fringe or in the rural area of the County, are more expensive; costs to acquire those parcels are dependent on their total acreage and available amenities.

Land costs for single-family subdivisions and for multi-family developments vary according to whether they have permit approval (i.e. a Tentative or Final Map) as well as whether they are being sold as “raw” land or with infrastructure improvements completed. For example, a single-family subdivision in the Live Oak-Soquel area was sold for approximately \$120,000 per lot with no infrastructure improvements completed but with Final Map approval. Land for multi-family development can range from \$40,000 up to \$90,000 or more per unit (\$65,000 per unit would be a mid-range estimate), again depending on parcel size, infrastructure availability and permit approval status.

Construction costs, like land costs, vary depending on the type of residential development. Single-family construction costs in Santa Cruz County are in the range of \$60-\$125+ per square foot, depending on material and supply costs, and labor costs. Using the lower range of \$60 per square foot as an example, a hypothetical 1500 square foot home would cost \$90,000 for construction costs only. Added on to this would be costs for land acquisition, permit fees and infrastructure costs (if not already provided). Tables 7.1 and 7.2 on the following page illustrate typical development costs for single family and multi-family residential construction in Santa Cruz County.

**Table 7.1 New Single Family Residential Construction
Example of Typical Development Costs
1,500 Square Foot Detached Unit on Improved Lot**

\$175,000	Land Costs (Single family, improved lot, mid-price range estimate)
\$ 90,000	Construction Costs (1,500 sq. ft. @ \$60/sq. ft.)
\$ 5,000	Governmental Fees (Building Permit, School Impact Fees, does not include infrastructure or development fees)
<hr/>	
\$270,000	Total Costs

This \$270,000 estimate is a conservative one in that it assumes modest construction costs and only a minimum level of fees (development and infrastructure fees were assumed to be paid and included as part of the cost of the improved lot). The estimate also assumes that there is no developer overhead, financing, marketing or profit costs. These type of costs could range from 10-25% of the total development cost, resulting in a final estimated cost of between \$297,000 to \$337,500 for the example illustrated above.

Multi-family construction costs benefit from the “economies of scale” of producing more than one unit at a time as well as the fact that multi-family units are usually smaller than single-family units. Estimated multi-family construction costs vary from \$35-\$75 per square foot, again depending on labor and material costs (\$55 per square foot would be a mid-range estimate). The example below assumes that the developer has paid all fees and permits and those costs are then included in the final land costs. Further, the multi-family example in Table 7.2 below assumes that a developer was involved in the production of this unit and the costs include the developer’s overhead, profit and financing costs which are “passed on” to the buyer.

**Table 7.2 New Multi-Family Residential Construction
Example of Typical Land and Construction Costs
1,300 Square Foot Attached Unit**

\$ 65,000	Land Costs (Multi-family, improved lot, mid-range estimate, all fees paid)
<u>\$ 71,500</u>	Construction Costs (1,300 sq. ft. @ \$55/sq. ft.)
\$136,500	Land and Construction Costs
<u>\$ 27,300</u>	Overhead, Profit and Financing Costs (20%)
\$163,800	Total Development Costs

● **Financing Costs**

The costs of financing residential development and acquisition are dependent on national economic trends and policy decisions. Interest rates for residential construction loans and permanent financing fluctuate depending on market conditions. For example, many residential construction loans are tied to the private market and "float" depending on the prime rate or other market indicators. In addition to interest rates, loan terms and conditions can vary and are affected by the availability of funds in both the primary and secondary markets.

At the time that this document was prepared (1991), financing was available for most types of residential development and acquisition in Santa Cruz County. Mixed use and other innovative types of residential development might have difficulties securing financing from typical sources such as banks, savings and loans, mortgage companies and mortgage brokers. However, for traditional residential developments, both construction and permanent mortgage financing (i.e. financing to purchase a home) were available using a variety of options, including fixed rate, variable rate, combination loans (i.e. 5 year fixed rate, 25 year variable rate), teaser rate loans, etc. Fixed-rate mortgage loans with a 30 year term had interest rates varying from 9.5% to 11%. Variable rate loans were available at "teaser" rates as low as 6.5%, but the actual "Annual Percentage Rate" (APR) was more in the range of 10%-11.5%. Interest rates are an important factor in residential financing because, as interest rates increase, more potential homebuyers are excluded from the market. For example, a \$100,000 fixed rate, 30 year mortgage at 10% requires a \$878.00 monthly mortgage payment while the payment on the same loan amount at 9% is \$805.00 per month, a difference of \$73.00 per month. This interest rate difference can be the deciding factor in whether a household "qualifies" for a mortgage loan or not, depending on their annual income and the size of the loan.

In Santa Cruz County, then, availability of financing may be a constraint to housing for innovative developments, such as mixed use or limited equity cooperatives. For traditional residential development, availability of financing is not so much a constraint as are the terms and conditions affecting financing. That is, market conditions affecting interest rates, terms and conditions can act as a constraint by limiting the number of individuals and households that can "afford" to purchase or develop property.

Governmental Constraints

Governmental constraints are usually regulations and procedures developed to protect the quality of life in a community. While these governmental regulations are many times necessary, they can increase the cost of development and thus the cost of housing.

● **Lack of Adequate Federal and State Subsidies for Housing**

Santa Cruz County cannot be solely responsible for assisting in the production of the County's future affordable housing stock. Significant increases in Federal and State subsidies will be necessary to satisfy either the State-mandated AMBAG or the County's projected affordable housing needs. For example, a total subsidy of between \$398-643 million (this would include a subsidy of \$344-564 million for very low and lower income households, and a subsidy of between \$54-89 million for moderate income households) would be

required to produce the 4,675-7,672 units projected to satisfy the needs of the County's very low, lower and moderate income households. This total subsidy amount assumes an average subsidy cost of \$100,000 for very low and lower income households and \$41,000 for moderate income households, in order to close the "affordability gap" between what such households can afford to pay and the market rate cost of the units in Santa Cruz County.

● **Land Use Controls**

Residential Densities: Land Use and Zoning (Within the Urban Services Line)

The County's General Plan and Zoning Ordinance provide for a range of housing types and densities. The Land Use Element of the General Plan provides for densities ranging from very low to high within the Urban Services Line (USL). The lowest density range is the "R-S," Residential-Suburban category (with Urban Reserve overlay) where the dwelling unit range is 2.2-8.7 units per acre. The highest density range is "R-UH," Residential-Urban High in which up to a maximum 22 units per acre can be developed. (See page 77 of this document for a description of the General Plan land use designations within the USL.)

Under incentive zoning provisions within the County's 1985 Housing Element, 1980 General Plan, the County's Local Coastal Plan, and Affordable Housing Ordinance, the County offers a 25% density bonus for qualifying projects (i.e. those which provide 15% moderate or 10% lower income housing). In addition, as much as a 100% density bonus is offered to senior housing projects that are 100% affordable to low and moderate income seniors. In 1991-92, the County intends to adopt a revised density bonus ordinance to implement the State Density Bonus Law. It would retain and strengthen the County's existing 25% density bonus provision, but would be available to projects containing housing for very low and lower income levels - and not moderate income levels.

While the maximum densities are calculated according to land use category, there is always the potential that a density bonus can be applied to a residential development. County Planning staff have drafted a Density Bonus Ordinance to implement recent changes in State Density Bonus law. The draft Ordinance modifies some of the provisions of the County's density bonus program in effect during the past five years. The draft Density Bonus Ordinance provides for an additional minimum unit density bonus of 25% for developments that meet certain conditions, including affordability provisions for very low income and lower income households, or elderly households. With the density bonus provision, the County's Land Use Element allows for a wide range of permissible residential densities, including high density ranges within the USL.

Residential Densities: Land Use and Zoning (Outside the Urban Services Line)

For parcels located outside of the USL and in the rural area of the County, densities are calculated in a different manner. The maximum densities in areas zoned "RA," Residential Agricultural, and "RR," Residential Rural categories are calculated using the "Rural Residential Density Determination" matrix. This matrix evaluates a number of factors, including infrastructure and environmental factors, in order to calculate the appropriate land size. Typically, the minimum lot size is at least one acre and site requirements in regards to setbacks, lot coverage, etc. vary as to whether the minimum site area per dwelling unit is less than 5 acres or more than 5 acres.

Residential Site and Structural Requirements

Chapter 13.10.323 of the County Code specifies site and structural requirements for parcels according to residential zoning category. Setbacks are typical for residential developments; for example, the minimum width for a parcel zoned R-1-6 (residential with a minimum land area of 6,000 net developable square feet) is 60 feet with a minimum front yard setback of 20 feet and a minimum rear yard setback of 15 feet. Structural and site requirements are not considered a constraint to development in the County.

In addition to the requirements noted above, the County has also adopted design criteria for residential districts. This criteria applies to all residential projects of 2 or more units and encourages the clustering of residential units. The purpose of clustering is to promote energy efficient and cost efficient site planning, to promote quality common open space and to provide for other amenities. The design criteria also address such issues as drainage and erosion control, access and circulation, solar access, building height and mass and landscaping. Generally, the criteria encourage efficient use of the land, promoting coordinated site design such as shared driveways, parking, circulation, landscaped open space and trash collection areas. Overall, these criteria encourage better utilization of land and are not a constraint to development.

Growth Management Program (Measure J)

In 1978, Santa Cruz County voters approved "Measure J," which directed that future growth and development be guided by a set of policies and procedures. Measure J has been codified as Chapter 17.01 of the County Code, which defines a growth management system and an affordable housing system for Santa Cruz County. Six policies have been defined in Chapter 17.01. These are:

- 1. Preserve Agricultural Land.** It shall be the policy of Santa Cruz County that prime agricultural lands and lands which are economically productive when used for agriculture shall be preserved for agricultural use.
- 2. Distinguish "Urban" and "Rural" Areas.** It shall be the policy of Santa Cruz County to preserve a distinction between areas in the County which are "urban," and areas which are "rural." Divisions of land in rural areas shall be discouraged, and new residential developments shall be encouraged to locate in urban areas.
- 3. Urban Area Protection.** It shall be the policy of Santa Cruz County to insure that new development in the unincorporated "urban" areas does not proceed without the provision of adequate services which will enhance the quality of life for current and future residents of these urban areas; the County Capital Improvement Plan shall reflect this commitment.
- 4. Annual Population Growth Limit.** It shall be the policy of Santa Cruz County to set an annual population growth for this County which shall limit growth to that amount which represents Santa Cruz County's fair share of each year's statewide population growth.
- 5. Housing for Persons with Average Incomes.** It shall be the policy of Santa Cruz County that at least 15% of those housing units newly constructed for sale or rental each year shall be capable of purchase or rental by persons with average or below average incomes.
- 6. Resource Protection.** It shall be the policy of Santa Cruz County to prevent the division or other development of lands which contain timber resources, mineral

resources, and wildlife habitat or other natural resources, except when any such development is conditioned so as to prevent the loss of or damage to such resources.

Following adoption of Chapter 17.01, the County Board of Supervisors has annually adopted a growth rate and allocated a sufficient number of building permits to accommodate the adopted rate. From 1979 through 1990, the County has allocated approximately 10,695 building permits, and a surplus of 2,962 permits allocated but not issued existed at the end of 1990. This indicates that, for the period from 1979 to 1990, the process of allocating permits based on annual projected growth rates has not been a constraint to the development of housing since there have been more permits allocated than actually used.

**Table 7.3 Building Permits Allocated
County of Santa Cruz
1979-1990**

<u>Year</u>	<u>Allocation</u>	<u>Special Allocation</u>
1979	930	
1980	1,055	
1981	937	
1982	968	
1983	972	
1984	991	
1985	757	
1986	768	
1987	468	
1988	489	
1989	489	1,384 (for Affordable Units)
1990	<u>487</u>	
	9,311	10,695
Average	776/year	891/year

Source: Planning Department, 1991

Table 7.3 above indicates that historically the Board of Supervisors has allocated an average of 776 building permits per year from 1979 through 1990. When the special 1989 allocation of 1,384 permits for affordable units is considered, then the average number of permits issued yearly increases to 891. Table 7.4 on the following page illustrates the average number of permits that would be needed to meet the AMBAG new construction projections for 1989 to 1996. Two estimates are provided in Table 7.4: first, an estimate for the original AMBAG projections, and then an estimate for the County's requested revision to the original projection.

Approximately 1,375 permits will need to be issued annually if the original AMBAG projection is used; 595 permits will need to be issued if the County's revision to the original pro-

jection is approved. (Please see discussion on page 12 of this Element for background information on the rationale for the requested revision.) The average allocation of 891 permits per year that was experienced during the 1979-90 period would not be sufficient under the original AMBAG scenario (1,375 permits needed annually). Comparing the historical trend with the estimated number of permits needed if the County's revision is approved, however, it is clear that the County would be able to meet its new construction projections in the 1989-96 time frame.

In summary, the Measure J allocation process was not a constraint to development in the 1979-90 time frame; but, to avoid a potential constraint to new construction in the future, allocations would need to be increased above the average experienced from 1979-90 to meet the original AMBAG scenario of new construction projections for the 1989-96 time period.

**Table 7.4 Average Allocation of Building Permits
Needed To Meet New
Construction Projections, 1989-96**

	<i>AMBAG Original Projection</i>	<i>County Requested Revision</i>
New Construction Need, 1989-96	11,983	7,302
Building Permits Issued, 1989-90	<u>(770)</u>	<u>(770)</u>
Remaining Need, 1991-96	11,213	6,532
Permits Carried Over and Available, January, 1991	<u>(2,962)</u>	<u>(2,962)</u>
Remaining Need, 1991-96	8,251	3,570
Average Annual Allocation of Permits Needed (Remaining Need Divided over 6 year period, 1991-96)	1,375	595

Source: Planning Department, June, 1991

It is important to note that the new construction projections on the previous page (whether they be the original AMBAG numbers or the County's requested revision) include units affordable to very low, lower and moderate income households as well as above moderate income units. As a means of eliminating this potential constraint to the development of affordable units, the County has exempted affordable units from the allocation process. Santa Cruz County recognizes the importance of preserving the potential for developing affordable units and intends to exempt affordable units as well as to "carry over" unused permit allocations for market rate housing units. A further description of this program is contained in Program #11 in Chapter 8 of this Housing Element.

● **Codes and Enforcement**

The County enforces the Uniform Building Code (UBC), and related trade codes, throughout the County. Inspectors from the Building Section of the Planning Department investigate violations to the Building Code on a complaint basis. The Uniform Building Code is necessary for the proper construction and maintenance of housing production in the County and is not considered a constraint to development.

Requirements for on and off site parking are typical for residential developments in similar California communities. In order to facilitate more affordable housing development, the County does allow up to a 75% reduction in parking requirements for elderly housing developments.

With regard to energy conservation requirements, the County has enforced Title 24 regulations since 1983 for construction in the unincorporated area. Title 24 are energy conservation standards that provide guidelines for residential construction in regards to energy conservation items; for example, specifying appropriate wall, ceiling or floor insulation. As noted earlier in this chapter, the "Residential Design Criteria" also contains standards for energy efficiency in residential design and construction such as orienting living areas to the south in order to take maximum advantage of solar heating and cooling, provision of solar access, etc. The Title 24 regulations and the design criteria are not considered as constraints to development since they promote a more energy efficient residential environment.

● **Estimated Residential Development Fees**

Since the passage of Proposition 13, governmental fees have increased substantially as local governments attempt to pay for needed services with limited resources. Fees for residential development have in particular been affected in recent years. In order to determine typical fees for residential developments in the County, two different types of projects were selected, a single family and a multi-family development. The single family develop-

were selected, a single family and a multi-family development. The single family development is assumed to be in the Live Oak Planning area and each unit is estimated to be approximately 2000 square feet. The 20 unit multi-family project is assumed to be in the Pajaro Planning area and a typical unit is approximately 1000 square feet.

**Table 7.5 Typical Fees for Residential Development
County of Santa Cruz, 1991**

	20 Unit Single Family (Live Oak)	20 Unit Multi Family (Pajaro)
Planning Department		
Development Review Fee	625	625
Residential Dev./Subdivision	5,000	5,000
Development Fees		
Park Dedication	55,780	41,820
Roadside Improvements	37,000	13,400
Transportation Impts.	38,000	39,200
Sanitation Districts	60,000	80,000
Drainage Fees	3,000	3,000
Water Hook-Ups	54,700	60,000
School Impact Fees	63,200	31,600
Child Care Fees	7,380	2,420
Building Permit Fees	<u>34,000</u>	<u>11,955</u>
TOTAL	\$358,685	\$289,020
Per Unit Cost	\$17,934	\$14,451

Notes on Table 7.5

1. Residential Development Permits are processed "at cost" for projects of 20 or more units. The deposit is approximately \$5000.00. Actual costs may be more or less than this depending on the level and amount of staff time required.
2. Development impact fees are dependent on the planning area and service district that the development is located in. The estimates above are based on hypothetical developments located in the Live Oak or Pajaro planning areas. There may be other miscellaneous fees (such as ones pertaining to individual Fire Districts) which are not included in these illustrations.
3. Roadside Improvement Fees and Transportation Improvement Fees can be credited against the full amount of the fees whenever a developer is required to construct certain off-site transportation or roadside improvements.
4. School impact fee for Live Oak School District is \$1.58 per square foot. School impact fee for Pajaro Valley Unified School District is also \$1.58 per square foot.
5. Child Care Fees were calculated at \$369 per single family unit and \$121 per multi-family unit.

There are certain exceptions to the County's fee schedule. Because permit and development fees can affect the viability of potential affordable housing projects, the County of Santa Cruz allows the following exceptions:

- ✓ **Inclusionary Housing Units:** County Code Section 15.01.080 specifies that housing units reserved for low and moderate income purchasers shall be exempt from park dedication fees.
- ✓ **Affordable Second Units:** The Board of Supervisors has directed that the following fees be waived for the affordable second unit program:
 - a) building permit fees, except where they would be doubled due to a violation
 - b) all County-imposed improvement fees, and
 - c) development permit fees up to a maximum of \$500 per second unit.
- ✓ **Units sponsored by eligible private non-profits:** As authorized by County Code Section 18.10.420, eligible non-profit organizations will be granted the following:
 - a) \$500 fee credit per project towards development application fees, and
 - b) \$500 fee credit per project towards building permit fees.

The Zucker Systems report on Permit Processing (1990) noted previously in this Chapter recommended that various actions be taken to review the County's fee schedule. The report noted that the fee structure was complex and created confusion for staff and the public. Adjustments have been made to the fee schedule and the County intends to further simplify the fee schedule and make it more consistent and unified in 1991.

● **Local Processing and Permit Procedures**

County processing and permit procedures have been the subject of several studies in 1989-90. An evaluation of the processing of single family dwelling permits was conducted by Western Productivity Group, Inc. in 1989 and, in 1990, Zucker Systems provided a series of recommendations to improve the overall planning process. Both reports were approved by the Board of Supervisors and staff was directed to begin implementation of the reports' recommendations.

The Western Productivity Group report is focused primarily on building permits and discretionary permits (Levels II through V) related to single family dwelling (SFD) permits, including new construction, remodels and additions.¹

¹ The Planning Department has identified seven different levels of review for discretionary applications. These are:

Level O: various reviews submitted as discretionary applications (eg, rural matrix)

Level I-III: application requires only administrative review and approval

Level IV: application requires administrative approval and public notice.

Level V: application requires Zoning Administrator hearing and public notice

Level VI: application requires Planning Commission hearing and public notice

Level VIII: application requires Commission and Board hearings and public notice.

There were six major findings cited in the Western Productivity Group report; these were:

1. The present in-take practice of building permit applications needed to be changed to one which would require a more complete and processable application. The acceptance of applications, knowing that certain variances, geologic, biotic, environmental, and/or other reviews or permits were needed or required was responsible for:
 - ✓ delays in the process cycle
 - ✓ automatic denials and subsequent additional reviews
 - ✓ excessive handling of the application
 - ✓ confusion between the applicant and the Planning Department and even more serious, conflicting comments or requests by the Planning Department.
2. Effective control of the flow of work through the process was not evident.
3. The review of the planner's staff report by supervision prior to approval or denial for the discretionary permit application was the only real quality check made in the Single Family Dwelling (SFD) application process.
4. Present staffing appeared adequate to accommodate the present work load imposed by SFD related permit applications in a timely manner.
5. The manner in which applications and related paperwork were stored during the review process was poor.
6. The primary mission of the Planning Department's role as related to SFD permit applications was not known and in many cases, not agreed to by both staff and management.

The report identified specific recommendations to address these issues as well as others. Included as part of these recommendations were procedures to streamline the permit processing system and reduce time delays. According to the January, 1991 monthly progress report prepared by the Planning Director to the Board of Supervisors, some of those recommendations have been implemented and some time frames have been reduced. For example, processing time for single family building permit applications has been reduced from the 1989 "baseline" amount of 12.1 weeks to 6.1 weeks in the fourth quarter of 1990. The same progress report indicated a mixed degree of success with discretionary permit application processing times. The average time to process a complete application decreased for Levels I and IV-VII but increased for Levels O, II and III applications. For example, Level VII application time frames decreased from 11 months to 9 months while Level II application times increased from 1 month to 3 months.

Compared to the Western Productivity Group study, the Zucker Systems report was broader in scope in that it evaluated the entire development processing system as it operated in the County in 1989. The report provided an overview of the processing procedures, and contained 102 specific recommendations for improvement. Some of the key recommendations included:

- ✓ The need to train Department managers in management functions.
- ✓ A variety of changes in the way plans are processed.
- ✓ The need to clarify a variety of planning policies.
- ✓ The need to expand staff training programs.
- ✓ A program to either increase efficiency, or hire more staff and raise fees to avoid the continuation of a back-log of development permits.

The 102 recommendations were very specific in nature and ranged from major and substantive efforts such as revising the entire "Development Review Group" (DRG) process to

very simple actions such as preparing new signs for Planning Department lobby. The report concentrated on how the system operated rather than evaluating the appropriateness of policies and programs. However, in certain instances, the report did identify problem areas with policies. For example, the report noted that while the consultants were specifically asked not to address policy issues, a number of points were noted during their study which they felt should be "highlighted." Page 18 in the report noted that,

"The County tends to regulate many things at a highly detailed level not found in other communities.

Perhaps more important than the policy to regulate at a detailed level, is the method of regulation. The ordinances tend toward trying to specify every alternative, rather than establishing clear criteria or direction and allowing some flexibility of interpretation and application. This results in a cumbersome set of ordinances that are difficult to understand and administer and that can actually lead to some of the confusion that they are designed to eliminate."

Following these comments were some specific operating recommendations on how to clarify policies and prevent conflicting policy statements. Similar to the Western Productivity Group's report, the Planning Director has prepared monthly progress reports on the implementation of the recommendations in the Zucker Systems' study. Each of the 102 recommendations is identified in the progress reports with comments on the status of each recommendation. The June, 1991 report indicates that 65 of the 102 recommendations have been completed with the remaining either "on going," "in progress," or "up coming."

● Land and Infrastructure

Available Land

One of the most important areas of concern in planning for housing in the 1991-96 time frame is whether there is adequate land and infrastructure for the expected housing demand. AMBAG has estimated that 11,983 new units are needed between 1989 and July 1, 1996 in order to accommodate new housing demand and maintain a healthy vacancy rate within the housing stock. The County (with the concurrence of AMBAG) has requested a revision to this estimate; the County's estimate is that 7,302 units, rather than 11,983 units, are needed by July 1, 1996.

The information in Chapter 6 of this document ("Vacant/Underdeveloped Land," beginning on page 74) indicates that there is enough land in the County which is residentially designated to accommodate an additional 14,480 units. Table 6.3 in Chapter 6 (page 78) demonstrates that there is sufficient residentially designated land in the urban and rural areas so that 14,480 units could be provided. Therefore, it appears that the County does have sufficient land to accommodate the range of 7,302-11,983 units (depending on which estimate is used) of expected new construction need.

An additional consideration in regard to land availability is whether there is adequate land at appropriate residential densities for a range of household income groups. Table 6.3 provides information which indicates that, of the total 14,480 potential units, 2,350 units could be provided for very low income households, 680 units for lower income households and 2,380 units for moderate income households. The vast majority of these units are an-

anticipated in the urban portions of the County at the highest density ranges. Actual affordable projects which have recently been approved and/or built in the County provide clear evidence that the density ranges assumed can provide for the various levels of affordability. The Paloma del Mar project was approved for 130 units (of which 65 units are for low to moderate income) on 4 acres; the actual zoning is high density residential units/acre which would yield a maximum of 92 units. Bonus densities provided by the County resulted in the total unit count. The Greenfarm project in Soquel was recently approved for 39 very low income units on 4 acres on a piece of land previously zoned for residential agriculture and was changed to high density residential.

Comparing the data from Table 6.3 with the new construction goals indicates that the County can easily meet its moderate and above moderate new housing construction targets. Based on these data, the County can meet its "revision" goal for very low income (2,090 units required; 2,350 unit potential available), but only 69% of the AMBAG very low income goal. The County cannot meet its lower income goal (2,077 units from AMBAG; 1,266 units County's proposed "revision"). However, if all higher density zoning is combined (i.e. very low plus lower), the County can meet 90% of its goal based on the "revision" and 56% of its goal based on the AMBAG construction goal. The County comfortably meets its moderate and above moderate income housing goals whether using "revision" or AMBAG numbers.

The conclusion is that the County must find ways to provide additional land areas suitable for lower income housing particularly and, to a lesser extent, for very low income housing. There are a number of programs recommended in Chapter 8 of this Element which directly address this issue. These programs are listed below. To assist with referencing these programs, their program # and the page on which they are located in Chapter 8 are also listed.

1. Provide for selective higher density affordable housing sites in urban areas or urban "enclave" areas in the rural areas (such as Felton) when adequate public services are available. *(Programs #8 and 9, Page 101)*
2. Consider selective higher density residential rezoning of commercial areas which are vacant/underutilized in areas not likely to be of use for commercial purposes. *(Program #3, Page 100)*
3. Consider allowing for "over-retail" lower income units in appropriate village core settings. *(Program #8, Page 101)*
4. Consider providing housing overlay zones or other incentives on non-residentially zoned lands to allow mixed use areas in the County. *(Programs #8, Page 101 and #3, Page 100)*
5. Complete the General Plan Update and subsequent rezonings to achieve full consistency, thereby achieving appropriate housing densities. *(Program #3, Page 100)*
6. Designate priority affordable housing sites ("so-called "H" sites) on appropriate sites throughout the urban area (not just in the Coastal Zone). *(Program #16, Page 108-109)*
7. Continue to pursue and implement the draft bonus density ordinance currently (1991) being reviewed by the County. *(Program #5, Page 100)*
8. Complete farm worker housing needs assessment and take recommended actions which could result in very low and low income affordable units in rural areas; far more than assumed in the build-out analysis. *(Program #35, Page 116)*
9. The Housing Advisory Commission intends to recommend revisions to the County's Second Unit Ordinance which may also result in a higher number of affordable new units in the rural parts of the County. *(Program #17, Page 110)*

In summary, there is more than adequate available land to accomplish the overall new construction goal of 11,983 units (or the "revision" of 7,302 units) and adequate land at suitable densities for moderate and above moderate income units and a sizable percentage of very low and lower income units. With the combination of actions noted on the previous page, there will be more than adequate land to meet all housing needs as specified by the State and AMBAG.

Infrastructure

As part of the General Plan Update process, the County evaluated its public facilities and services in 1991. The initial draft of the public facilities and services background analysis (April, 1991) summarized the type and range of public services available and identified potential issue areas. Following is a brief summary of the analysis.

Drainage: The County is responsible for assuring adequate drainage facilities countywide through the County Department of Public Works, Flood Section. Community Service Areas (CSAs) exist in portions of the County for the purpose of planning facilities, collecting fees to pay for construction and maintenance, and reviewing project proposals. Funding for maintenance and improvements comes from a combination of sources, including property taxes and development fees, and varies by zone within the County. In general, significant revenue shortfalls constrain the ability to provide needed improvements.

Fire: Fire protection within the Urban Services Line (USL) is provided by several fire districts. All districts have mutual aid agreements with neighboring districts. In 1990, a countywide ordinance was adopted which required the use of automatic sprinkler systems and non-combustible roofs on new construction. These measures are expected to reduce the demands on fire services. All fire districts rely upon property tax and Special District Augmentation Funds for revenue. Some districts also collect a benefit assessment to help fund operations.

Libraries: The Santa Cruz City-County Library system currently has ten library branches throughout the County, serving all County residents except those in the City of Watsonville, which has its own library system. In addition, the City of Soquel currently runs an all-volunteer library which is not part of the County system. Over the next decade, the Library plans to open new Mid County, South County, and Scotts Valley branches to expand significantly the Aptos and La Selva Branches; to replace the Felton branch; and to renovate the Central, Branciforte, and Garfield Park Branches.

Parks: Within the urban services boundary, the County has primary responsibility for parks in the unincorporated areas. Based on park standards, the County has identified only one area, Pajaro Valley, that currently has adequate park acreage to meet minimum General Plan standards. Park acquisition is financed through park dedications, in lieu dedication fees, County service area and recreation taxes, private donations, and deed transfers.

Roadside Betterments: The County is responsible for constructing and maintaining curbs, gutters, and sidewalks in all of the County's planning areas. The County is also responsible for planting trees along roadsides. All planning areas except Carbonera are experiencing

significant shortfalls in the number of projects that will be funded in the next five years versus those projects that have been identified as needed.

Roadway Capacities: There are a number of roads and intersections which do impact additional growth unless adequate improvements are made. Traffic on Highway 1 experiences forced flow and frequent stoppages (Level of Service F) during peak hours in the Aptos, Live Oak and Soquel areas. Also in the Soquel area, Soquel-San Jose Road and Porter Street have a forced flow condition, as does Park Avenue from Highway 1 to Cabrillo College Drive. Cabrillo College Drive has an unstable flow condition also. In the Freedom area, Airport Boulevard experiences periods of unstable flow (Level of Service E). Sections of Graham Hill Road and Highway 9 in the San Lorenzo Valley likewise have periods of significant congestion, exceeding the capacities of these roadways. Highway 17 and Mt. Hermon Roads also have forced flow conditions during the evening peak hour. Finally, of the 66 intersections studied in 1991 as part of the General Plan Update process, 25 operate at level of service "D" or below; generally considered unacceptable or marginally acceptable. For further information, please see Appendix #20 which is a copy of the "Roadway Capacity" table for the County.

Wastewater: A number of special districts are responsible for maintenance and operation of wastewater collection systems which flow into one of two County treatment plants. The South County plant operated by the City of Watsonville (located adjacent to the Pajaro River about two miles from the coast) provides advanced primary treatment, and has a total capacity of 16.5 million gallons per day (mgd). A conversion to secondary treatment is expected to occur within six years. Current capacity remaining is 6.5 mgd, which may decline to 3.0 mgd following conversion to secondary treatment.

The City of Santa Cruz operates the second wastewater treatment facility. The existing capacity of the plant is 14 mgd; approximately 8 mgd are treated on an average daily basis (this figure is somewhat low because of the drought in the past six years). The planned design capacity of the plant is 17 mgd, once advanced primary treatment facilities are completed in October, 1991. At that point, there will be approximately 8-9 mgd of available capacity for the entire plant. By 1996, the plant is required by the State to achieve full secondary treatment capacity. The City indicates that the ultimate "build-out" capacity of the plant is 23 mgd given the size of the site and the nature of the current operation. To attain this capacity would require addition of a secondary clarifier. While not assumed in the current EIR on plant expansion, this additional capacity could have substantial effect on the City's and County's ability to grow. The County would need to renegotiate its existing entitlement to be able to utilize additional plant capacity.

Through the Santa Cruz County Sanitation District, the County has an entitlement to 8 mgd of the City of Santa Cruz treatment plant's capacity. This constitutes 57% of the plant's current design capacity. The County currently uses 5 mgd from its allocation. Through the Freedom, Salsipuedes, and Pajaro County sanitation districts, the County also has wastewater treatment entitlement to of 3.201 mgd at the City of Watsonville treatment plant, of which it currently uses approximately 2 mgd. County-controlled allocations constitute 20% of the Watsonville plant's current capacity. This figure may change when the Watsonville plant upgrades its treatment capability to secondary and its daily treatment capacity possi-

bly declines. Through the Freedom, Salsipuedes, and Pajaro County sanitation districts, the County utilizes approximately 20% of capacity at the Watsonville plant. Through the Santa Cruz County Sanitation District, the County controls slightly more than half of the Santa Cruz city plant's capacity.

The County could service approximately an additional 8,000 dwelling unit equivalents (DUEs) before it exceeded its allocation at the City of Santa Cruz wastewater treatment plant. This assumes a water use rate of 250 gallons per day (gpd) per DUE and total pre-drought flows of 6 mgd. It also assumes no increase in entitlement over the 8 mgd now agreed to. Assuming 50% of the ultimate "build-out" capacity (of 23 mgd), an additional 12,000 DUE would be possible. This assumes that the plant is expanded to the ultimate build-out level and that the County secures a comparable percentage of plant capacity as has been negotiated in the past. The Freedom, Salsipuedes, and Pajaro county sanitation districts could service approximately an additional 2,200 DUEs before they exceeded their allocations at the City of Watsonville wastewater treatment plant. This assumes a water use rate of 250 gpd per DUE and current water use patterns.

In total, once proposed sewage treatment plant improvements are in place, 14,200 DUE's are available; this is more than adequate to accommodate the regional housing fair share of 7,302-11,983 units.

Wastewater disposal constraints are significant in many rural areas of the County not serviced by public sewer systems. This results in large lot zoning requirements necessary to facilitate adequate septic drainfield functioning. In particular, a large portion of the more urban portions of San Lorenzo Valley are currently under Regional Water Quality Control Board waste discharge prohibitions due to significant wastewater disposal problems arising from high ground water. The Regional Water Quality Control Board is scheduling, in early 1992, a hearing on this matter and a revised order, which would incorporate the elements of a wastewater and water quality improvement program in the San Lorenzo Valley, and return governance of this matter to the City of Santa Cruz, County and government officials.

Water Services: Information regarding adequacy of future water supplies are available from the 1985 North Santa Cruz County Water Master Plan, the 1991 Draft Public Services Analysis as part of the Santa Cruz County General Plan Existing Conditions Report and the Santa Cruz County Drought Conditions Report adopted by the Board of Supervisors in May, 1991. In Santa Cruz County, there are fourteen water purveyors with over 200 or more connections. Six, however, are comparatively minor in terms of both the number of service connections and amount of water produced. The eight principal water agencies in order of size are: City of Santa Cruz Water Department, City of Watsonville, Soquel Creek Water District, San Lorenzo Valley Water District, Scotts Valley Water District, Citizens Utilities Company of California, Central Water District and Lompico County Water District.

These water systems serve approximately 203,000 residents or 88 percent of the total County population of about 230, 000 (1990 Census). The remaining 27,000 people obtain their water from individual wells or from privately-owned water companies. In 1990, the amount of water produced for municipal consumption by these eight systems totaled 8,770 million gallons or 26,900 AF. This volume represents a decrease from 1989 usage by

approximately 400 million gallons, primarily due to the reduction in water consumption in the Santa Cruz water system while mandatory rationing was in effect.

The last time a comprehensive future water master planning study was undertaken for the whole County was in 1985. The 1985 North County study estimates that these would be adequate water supplies to meet a demand for an additional 23,000 units and 4 million square feet of commercial development in the north County service areas (including County and cities) through "build-out". This level of build-out assumption far exceeds the County's regional fair share of housing units (7,302-11,983) even when the cities are included. The 1985 study recognized potential short falls for the City of Santa Cruz (which also serves part of the unincorporated County). The City, which has had to ration water during two of the recent drought years, is now actively exploring alternative water supply sources to meet future demand.

The very recent water studies indicate that all areas of the County, except the Pajaro Valley, appear to have ample water supplies to accommodate expected build-out provided planned projects and operational improvements are made. The predominant water supply concerns in the Pajaro Valley concern overdraft of the groundwater basin which has been occurring for several decades. Seawater intrusion problems are becoming evident in several Pajaro coastal wells. In 1985, the State legislature formed the Pajaro Valley Water Management Agency to resolve the valley's water supply problems through a comprehensive basin management planning process. The Agency has been working on their basin management plan; exploring a series of new water sources including imported water from the Bureau of Reclamation's San Luis Reservoir and ways to better manage and conserve existing sources. Most of the urban areas in the Pajaro Valley are actually served by the City of Watsonville which produces water from 12 wells in the basin. The City continues to work cooperatively with the County and the Agency to resolve long-term water supply issues. In the short-term, conservation efforts and changes in pumping distribution continue to provide adequate water resources for existing and planned residential development. Long-term solutions will be developed out of the basin management planning process.

CHAPTER 8: GOALS, OBJECTIVES, POLICIES AND PROGRAMS

"This time, like all times,
is a very good one, if we
but know what to do with it."

-Ralph Waldo Emerson

One of the best ways to plan for the future is to look at the past. Reviewing past accomplishments, evaluating areas of strength and identifying programs for improvement are all helpful tools in planning for today and tomorrow. The previous chapters in this document were designed to "set the stage" for planning for the County's future housing needs. Information in Chapters 2 and 3 provide a background perspective on recent changes in County household, population and housing stock data. Chapter 4 contains an evaluation of the County's progress towards implementation of housing goals and objectives for the 1985-90 period and then Chapter 5 contains a summary of the existing (1991) housing resources in the County. Chapters 6 and 7 summarize the constraints that can affect the provision of adequate housing opportunities, including governmental constraints and non-governmental constraints. Availability of adequately zoned land is an important concern and is discussed separately in Chapter 6 and then included as part of another discussion in regards to constraints in Chapter 7. In summary, then, the information in Chapters 2-7 provide a framework from which to develop a blueprint of housing needs, goals, objectives and programs for the future.

1991-1996: Housing Needs

Information presented in Chapters 2-7 leads to the following conclusions:

1. New residential construction should not be constrained by the number of allocated and available building permits.

- There were 3,723 building permits that were either "carried over," or allocated in program years 1990 and 1991 (approximately 53% of those permits are designated for "affordable" units). The County needs to allow full and timely utilization of all available permits, as well as additional permits that will be issued from 1992-96.
- The development community has the primary responsibility to provide new housing opportunities. However, the County must recognize that it has an important role in facilitating and supporting those housing opportunities. By simplifying permit processing procedures and reducing time lines, the County can act as an important participant in the housing development process and can facilitate the production of an adequate supply of new housing opportunities.

2. Housing is expensive in California. Housing is a top priority.

- There needs to be an increased emphasis by local, State and Federal levels of government to provide more assistance to affordable housing.. In addition, every

effort must be made by the County to assist the development community in the provision of housing affordable to very low, lower and moderate income households.

- Existing affordable housing opportunities need to be preserved on a long term basis. These opportunities currently exist in the County's inventory of affordable housing units and, also the mobile home parks and the existing rental housing stock.
- There needs to be sufficient land at appropriately-zoned densities for very low income and possible lower income housing. The County should evaluate various actions that will ensure sufficient land at appropriate densities for very low and lower income housing.

3. The County's existing housing stock is "aging" and there will be an increased need for housing rehabilitation and maintenance programs.

- Maintenance and rehabilitation of the existing housing stock will be a critical issue in future years as the County's housing stock ages. All funding resources must be utilized in order to provide financial and technical assistance to property owners whose units need rehabilitation, and are occupied by very low, lower and moderate income households.

4. There are households in the County with special housing needs that need to be considered in developing future housing opportunities. Further, innovative housing developments should be evaluated in meeting some of these needs.

- Seniors, single parents, disabled, overcrowded, farmworker and homeless households have been identified "special need" households in the County.
- Affordable housing is the most important need of all the special need households. In addition, some of these households have other housing needs such as accessible housing, adequately sized units and a variety of housing choices in terms of housing type.

1991-96: Housing Goals and Objectives

As noted earlier in Chapter 4 (pages 60-61), the four housing goals from the 1985 Housing Element are still very appropriate to continue in the 1991 Housing Element. The four housing goals are identified below and then the discussion of housing needs, objectives and programs for 1991-96 are organized according to each of the four goals.

County of Santa Cruz Housing Goals: 1991-1996

Housing Supply: To insure a decent home and a suitable living environment for all County residents.

Housing Affordability: To protect and increase the supply of housing affordable to low and moderate income households.

Existing Housing Conditions: To maintain and improve the physical condition of existing housing.

Equal Housing Opportunity: To insure that all County residents have equal access to housing opportunities.

Goal 1.0

Housing Supply: To insure a decent home and a suitable living environment for all County residents

Projected Housing Needs: New Construction

The Association of Monterey Bay Area Governments (AMBAG) has developed projections of housing need for communities in the Monterey Bay region. The AMBAG document, "Regional Housing Needs Plan" (adopted June, 1990), provides information which identifies regional housing needs and responsibilities, and provides communities with estimates of projected housing needs from 1989-96.

The AMBAG Plan divides the region into "Housing Market Areas," that are defined as areas which are geographically and economically distinct from the rest of the region which have similar housing needs. The "jobs and housing relationship" is considered to be a key identifying feature of each market area; that is, the majority of people that work in a Housing Market Area will theoretically also choose to live there. The County of Santa Cruz is divided into two Housing Market Areas: Pajaro Valley and North Central Santa Cruz County. The Pajaro Valley market area actually straddles both Santa Cruz and Monterey counties with the City of Watsonville as the focal area. The North Central Santa Cruz County market area is the remainder of Santa Cruz County not included in the Pajaro Valley market.

Projected population and household demand were estimated for the two Santa Cruz County market areas. These estimates were based on data provided by two State agencies (State Department of Housing and Community Development and the State Department of Finance) that projected future population growth. AMBAG then applied certain assumptions regarding housing unit vacancy and replacement factors. Based on this information, the AMBAG document projects the number of new housing units needed by July 1, 1996 in order to accommodate population growth as well housing vacancy and replacement factors. The total new construction need projected by AMBAG is 11,983 units from 1989-96.

However, at the request of Santa Cruz County and other communities in the region, AMBAG has requested that the State reconsider the allocation of new required units to the region. Under the revised allocation, Santa Cruz County would be required to provide 7,302 units from 1989-96. This request was still under consideration by the State of California at the time this Housing Element document was being prepared. (Please see the information in Appendix #7 of this Element for further details of this request.)

Information in Chapter 7 of this Element (pages 83-85) describe the County's growth management system and the relationship between it and the new construction estimates. As illustrated in Table 7.4 on page 85, the County would need to issue an average of 595-1,375 building permits per year from 1991-1996 to meet the new construction estimates. An average of 595 permits per year would be needed to achieve the County's projection of 7,302 units and 1,375 permits would be needed to achieve the original AMBAG projection.

The new construction goals listed on the previous page and the average number of permits needed to support those goals include housing units projected to be needed for all household income groups, including housing affordable to very low, lower and moderate income households. Santa Cruz County supports and encourages the development of new affordable housing opportunities and expects its permit allocation process to reflect this philosophy. Therefore, the County will revise its process so that affordable units are exempted from the allocation system. Permits will be readily available for the total number of units projected to be needed for very low, lower and moderate income households from 1989-96.

The County will continue to allocate permits for housing units for above moderate income households through the permit allocation system. Approximately 310-590 permits would need to be allocated on a yearly basis from 1991-96 in order to meet the need for above moderate income housing units. This range was developed by taking the total new construction goal for 1989-96 and subtracting out the goal for very low, lower and moderate income households. After adjusting for building permits issued from 1989-90, a revised goal for above moderate income units for 1991-96 then results.

**Table 8.1 New Construction Goals, By Household Income Level
AMBAG and County Revision
1989-96**

	AMBAG Projection	County Revision
New Construction Goal 1989-96	11,983	7,302
Very Low, Lower and Moderate Income Goals	(7,672)	(4,675)
Above Moderate Income Goal 1989-96	4,311	2,627
<i>Less Building Permits Issued 1989-90</i>	(770)	(770)
Above Moderate Income Goal 1991-96	3,541	1,857
Average Annual Number of Permits Needed, 1991-96	590	310

OBJECTIVE 1.1: Exempt affordable housing units from the permit allocation process in order to assist new construction goals for affordable housing.

OBJECTIVE 1.2: Facilitate and encourage the use of allocated and available permits by continuing to simplify its permit processing and development procedures, providing technical assistance and support to the development community, and reducing development processing timelines as much as possible.

OBJECTIVE 1.3: Ensure that an adequate amount of publicly and privately held land is designated in the General Plan and appropriately zoned for high density residential development to accommodate the County adopted regional fair share housing goals for affordable units.

Existing Policies/Programs to Continue:

1. Permit Allocation System

Program Description: The County will revise its permit allocation system by exempting units affordable to very low, lower and moderate income households. The maximum number of units exempted will equal or exceed the new construction goal for very low, lower and moderate income households as identified in AMBAG's 1989-96 Regional Housing Needs Plan, or the County's revised goal if approved.

Objective: Exempt units affordable to very low, lower and moderate income households from the permit allocation system.

Time Frame: 1991-1996

Responsible Party: Planning Department, Board of Supervisors

2. Permit and Development Processing

Program Description: Continue to implement the recommendations contained in the Western Productivity Group, Inc. Report (1989) and the Zucker Systems Report (1990) and additional "reform" measures which can improve permit procedures. In particular, recommended program and procedural changes that will reduce permit processing time, eliminate confusion and provide a better level of customer service to all potential clients should be evaluated and implemented as quickly as possible.

Objective: Coordinated and efficient processing of development and permit applications and reduced application time lines.

Time Frame: 1991-1996

Responsible Party: Planning Department, Board of Supervisors

3. Inventory of Vacant and Underdeveloped Parcels/Rezoning

Program Description:

Maintain and improve upon the inventory of vacant and underdeveloped parcels in the County, both within the Urban Services Line (USL) and in rural areas. Evaluate the appropriateness of rezoning existing residentially zoned land to higher density; investigate the potential for re-designating commercial, industrial or publicly-owned land to residential; or, permitting residential uses in combination with commercial or industrial use.

Objective: Increase supply of land available for residential use, including higher density residential use, in the County unincorporated area, especially within the USL, to assure that enough land is available to meet the affordable housing goals.

Time Frame:

1991-1992: Update existing inventory of vacant and underdeveloped parcels.

1993-1994: Based on 1991-92 General Plan Update recommendations and the results of the 1991-92 inventory, evaluate rezoning or re-designation of appropriate vacant/underdeveloped land to allow increased residential use.

1993-1996: Maintain and update inventory of vacant/underdeveloped parcels as needed.

Funding: CDBG "Planning and Technical Assistance" Grant (1991)

Responsible Party: Planning Department, Board of Supervisors

Existing Policies/Programs to be Revised:

4. Annual Report on Growth Goals and Building Activity

Program Description: In its annual report to the Board of Supervisors on growth goals, the Planning Department shall also include information on:

- a) level of residential construction during past year and the level of density to which parcels have been developed. In specific, the report shall summarize land divisions or subdivisions approved/constructed and a comparison of the maximum allowable density for those parcels and the density actually approved, and
- b) progress on achieving the new construction goals as identified in this Housing Element.

Objective: Annual update and review of level of residential activity and relationship to new construction goals.

Time Frame: Annually, 1991-1996

Responsible Party: Planning Department, Board of Supervisors

5. Density Bonus Program

Program Description: The County shall proceed with adoption and implementation of an ordinance which complies with State Density Bonus Law providing a 25% density bonus (plus the potential for additional incentives) to developers proposing 10% very low or 20% lower income or 50% senior projects.

Time Frame: 1991-92: Adoption of Ordinance
1992-96: Ordinance Implementation

Responsible Party: Planning Department, Board of Supervisors

New Policies/Programs:

6. Land Use Consistency

Program Description: Review General Plan land use designations and zoning designations on land parcels to ensure that the two designations are consistent.

Objective: Consistent designations on parcels to eliminate confusion and reduce permit processing time lines.

Time Frame: 1991-1993

Responsible Party: Planning Department, Board of Supervisors

7. Residential Fee Structure

Program Description: Review existing residential fee structure; evaluate appropriateness of current fee structure and simplify where necessary.

Objective: Consistent and appropriate residential fees

Time Frame: 1991-1993

Responsible Party: Planning Department, Board of Supervisors

8. Residential/Commercial Mixed Use

Program Description: Through the General Plan Update and town plans, evaluate the potential of additional housing provided on upper floor areas in commercial areas. Where elements of convenience, commercial property security and compatible environments warrant, consider the possibility of encouraging mixed use developments. In addition, evaluate appropriate incentives (such as reduced parking requirements) as well as zoning incentives to encourage "work/live" spaces in such areas.

Objective: Additional residential units provided in commercial and mixed use areas.

Time Frame: 1991-1993

Responsible Party: Planning Department, Board of Supervisors

9. Allowance of Residential Uses in Commercial Zones

Program Description: Through the General Plan Update and town plans, consider allowing high density residential in appropriate commercially-zoned areas.

Objective: Additional "close-in residential" units provided in commercial areas.

Time Frame: 1991-1993

Responsible Party: Planning Department, Board of Supervisors

10. Clarification of Land Use Regulations

Program Description: As directed by the Board, revise Land Use and Zoning regulations of the County Code (Volume 2) with the goal of clarifying and simplifying regulations for use by the public and the development community.

Time Frame: 1991-1993

Responsible Party: Planning Department, Board of Supervisors

Goal 2.0

Housing Affordability: To protect and increase the supply of housing affordable to very low, lower and moderate income households

Information cited earlier in this Element highlights the increasing cost of securing housing in the County. The median sales price of an existing home in the south county area (1990) was approximately \$194,711 and sales prices in the north county area were even higher with the median at \$271,829. These prices typically exclude all households except those with above moderate income and even some of those households cannot afford to purchase a home unless they have sufficient equity to use as a down payment.

The rental housing market is usually the more affordable choice for lower and moderate income households, however, in Santa Cruz County, very low and lower income households in particular often spend a larger proportion of their monthly income for rent than is considered "affordable." As Table 3.9 on page 43 demonstrates, the average very low income household of 4 persons can "afford" to pay \$496 per month for housing but the average one bedroom rental unit in northern Santa Cruz County was renting for \$630 in 1990. The shortage of affordable rental units is demonstrated by the fact that the Housing Authority had over 6,000 households on their waiting list for Section 8 or other rental assistance in 1990. Approximately 52% of those households listed were residents of the unincorporated area.

Affordability: New Construction

As part of the County's Growth Management Program, there is a stated goal that at least 15% of all newly constructed housing be affordable to lower and moderate income households. In the County's Redevelopment areas, this requirement is further strengthened by State redevelopment law which also specifies that 15% of the total number of units built in the area be affordable to low and moderate income households, and 40% of these units, or 6% of the total, be available to very low and 9% to lower income households.

The affordability goals as identified by AMBAG in their 1990 "Regional Housing Needs Plan" contain estimates of new housing need according to household income levels. In that document, AMBAG estimates that 64% of new housing opportunities from 1989-96 should be affordable to very low, low and moderate income households. In developing these estimates, AMBAG's primary objective was to encourage similar distributions of lower income households throughout the region and to discourage concentrations of any one household type in any area. As noted earlier in this Chapter on page 98, it is projected that 7,672 units are needed to meet the new construction goals of the "Regional Housing Needs Plan" according to AMBAG's original projections or 4,675 units if the County's revisions are approved.

In order to encourage the development of the 4,675-7,672 projected units, the County will revise its allocation process so that units affordable to very low, lower and moderate income households are exempt from the process. Further, the County will support the development of approximately 461 affordable units currently (1991) in various stages of program development. Table 8.2 below describes these proposed units in more detail.

**Table 8.2 Pending Affordable Units, 1991
County of Santa Cruz**

Total Units	# of Units Affordable to:			Project	Location	Housing Type
	V. Low	Lower*	Moderate			
102		52	50	Arroyo Verde	Pajaro Valley	Ownership
130		63		Paloma del Mar	Pajaro Valley	Rental (Senior)
18	18			Stepping Out	Carbonera	Rental (Disabled)
2	2			Habitat	Live Oak	Ownership
21		21		Housing For Ind. People	Live Oak	Rental (Disabled)
15	15			Merrill Road	Soquel	Rental
31	31			Lagoon Beach Apts.	Live Oak	Ownership: Rehab (Limited Equity)
34		34		Pacific Family	Live Oak	Ownership: Rehab
39	39			Cunnison Lane	Soquel	Rentals
100	50	50		O'Neill Ranch	Soquel	
36		36		Aptos Village	Aptos	
TOTAL 461**	155	256	50			

*Units affordable to lower income households may also be occupied by very low income households. Until the units are built and occupied, it is unclear exactly how many units will be occupied by very low and how many by lower income households.

**Total unit count is 528 units, however 67 of the units in the Paloma del Mar development are market rate units and are not counted in the total for affordable units.

In addition to the pending affordable units, there will also be units produced through the inclusionary housing program (Measure J). A minimum of 15% of all new units constructed are required to be affordable to very low, low or moderate income households according to the Measure J requirements and as specified by the County's Affordable Housing Requirements. The County is currently (1991) considering increasing the inclusionary requirement to 20-25% as part of the comprehensive revisions to the Affordable Housing Ordinance and the "Income, Asset and Unit Price Guidelines."

Objective 2.1: Support the development of affordable units sufficient to meet the new construction goals for very low, lower and moderate income households as identified in AMBAG's Regional Housing Need Plan, or the County's revision if approved.

● **Affordability: Preservation of Existing Affordable Units**

There are three areas of need in regard to preservation:

- 1) preserving existing stock of affordable units that have been financed with government assisted financing,
- 2) conserving mobile homes as a source of affordable housing, and
- 3) protecting existing rental housing stock from being converted to ownership units.

Government Assisted Affordable Units

According to Table 5.1 on pages 72-73 of this document, there are a total of 1,329 affordable units (see page 64 for the definition of "affordable unit") in the unincorporated area of the County. Of these units, 698 units have been assisted with HUD financing. These 698 units are located in the following projects:

Name	# of Units	HUD Program	Expiration
Villa San Carlos	200 units	Section 236/Sec.8	1991 (70 units) 1992 (40 units)
Pajaro Vista	105 units	221(d)(4)/Sec.8	1994
Seaside Apartments	84 units	221(d)(4)/Sec.8	2003
Elizabeth Oaks	126 units	221(d)(4)/Sec 8	2003
VOA	76 units	202/Section 8	2006
Seascape Senior	80 units	Section 202/Sec.8	2023
Seapines	27 units	Section 8	2023

Of the projects listed above, there are two government assisted developments that could potentially convert to market rate housing during the ten year period from 1991-2001. These two developments are:

1) Villa San Carlos, 2500 Soquel Drive, Santa Cruz

Villa San Carlos is a rental housing development of 200 units; approximately 144 of those units are family units and 56 are senior/handicapped units. The Section 236 mortgage is not due to expire until 2012; however, the project is scheduled to have 70 Section 8 contracts expire in 1991 and another 40 contracts expire in 1992. Generally, HUD has been renewing the Section 8 contracts for five year terms; therefore, it is believed that the contracts scheduled for expiration will be renewed until 1996 and 1997 respectively. The County will continue to monitor the status of the Section 8 contracts and advocate for their renewal during the time frame of this Housing Element.

2) Pajaro Vista, 1955 Pajaro Lane, Freedom

Pajaro Vista is a rental development of 105 units designed for senior and handicapped households. This development is assisted with Section 221 (d) (4) and Section 8 rental subsidies. The Section 8 subsidies are due to expire in January, 1994. In December, 1990, the owners of the development sent correspondence to the County Redevelopment Agency indicating that they plan to renew their Section 8 contract for the next 5 year period (from 1994-1999). Similar to Villa San Carlos above, the County will continue to to monitor the status of the Section 8 contracts and advocate for their renewal during the time frame of this Housing Element.

It is important that projects such as the two identified on the previous page be preserved. The cost of replacing these types of units would be very expensive in today's housing market. As noted in Chapter 7 on page 80, the cost of new construction for multi-family residential units is approximately \$163,800 for a 1,300 square foot unit. This estimate was developed using mid-range costs for both land and construction and adding in a developer's typical overhead and profit. If the lowest range of costs were used for land and construction and the overhead and profit were deleted, then the typical cost for a 1,300 square foot unit would be \$85,000; for a 1,000 square foot unit, the cost would be \$75,000; and for an 800 square foot unit, the cost would be \$68,000. Using these costs as rough estimates, following would be the cost to replace the two projects noted previously with new units designed to accommodate the same type of households:

1. Villa San Carlos	144 Family Units (1000 sq. ft.)	144 @ \$75,000 each =\$10,800,000
	56 Elderly Units (800 sq. ft.)	56 @ \$68,000 each =\$ 3,808,000
		TOTAL=\$14,608,000
2. Pajaro Vista	105 Elderly Units (800 sq. ft.)	105 @\$68,000 each =\$7,140,000
		TOTAL =\$7,140,000

The costs noted above are estimates of new construction, replacement costs. However, these are "low end" conversion cost estimates. The cost to acquire the units "as is" would be less but there would probably also be renovation and maintenance costs that would have to be added on to the sales price.

The major concern for both Villa San Carlos and Pajaro Vista is not prepayment of mortgages (although Pajaro Vista's 221 (d)(4) could be paid but it is not likely), but rather the potential loss of Section 8 rental subsidies. Should the Section 8 contracts expire and not be renewed by HUD or the owners (although that scenario does not appear likely or feasible at this time), then there is a possibility that the rents could increase for the tenants. Possible courses of action at that time would be for a request for Section 8 vouchers from the set-aside pool that HUD maintains or possible assistance through other funding sources such as the Redevelopment Low and Moderate Income Housing Fund. Further, the County Housing Authority has indicated that they would be willing to assist in any efforts necessary to maintain the affordability of these units. Therefore, at this time, the necessary course of action will be for the County to continue to monitor these two projects and to develop a program to assist these units in the event that the Section 8 contracts are not renewed.

Other than the two projects noted above, there do not appear to be any other affordable units in the unincorporated area that are in threat of being converted to market rate housing. There are no Farmers Home or CHFA (California Housing Finance Agency) assisted units in threat of conversion in the forecasted time period, according to the Housing Authority. Regarding the County's inclusionary housing program, most units built under the County's program (Measure J) carry permanent affordability restrictions upon resale (restrictions vary from a minimum of 10 years to "in perpetuity") and, in addition, the County has established a Foreclosure Fund to protect the loss of any of these units in foreclosure proceedings.

There are Section 8 Moderate Rehabilitation units in the County whose contracts might be expiring in the 1991-2001 time frame but, according to data from the Housing Authority, all of these units are located in incorporated areas.

OBJECTIVE 2.2: Preserve the existing affordable housing inventory of 1,329 housing units through the following actions:

- a) monitor the status of the renewal of Section 8 contracts for both Villa San Carlos and Pajaro Vista,
- b) preserve the existing affordable housing stock by maintaining a comprehensive and updated information data base on the units included under the inclusionary housing (Measure J) program and other units considered to be "affordable." Information to be maintained includes household income levels, household type, rent levels, sales prices, affordability restrictions, household tenure, etc., and
- c) continue to utilize the Foreclosure Fund for Affordable Units to assist threatened affordable units.

Conservation of Mobile Home Park Stock

Mobile homes represent an important and valuable source of affordable housing opportunities, especially for senior households. There were 3,480 mobile homes in the unincorporated area of the County as of January 1, 1990. These mobile homes represent 57% of all mobile homes in the entire County (unincorporated as well as incorporated areas). It is important that the County preserve these mobile homes opportunities by 1) ensuring that the mobile home parks in which they are located are not converted to other uses, 2) actively assisting in the purchase of the parks by the mobile home residents, and 3) facilitating maintenance and rehabilitation of the existing mobile home units.

OBJECTIVE 2.3: Conserve the County's existing stock of 3,480 mobile homes by continuing to enforce County ordinances that protect mobile home parks from conversion and provide rent stabilization agreements.

Protecting rental housing stock

Rental units are an important part of a community's housing stock, primarily because they usually are more affordable than owner-occupied housing units. It is important that rental units, especially multi-family apartment units, are available in a housing market so that there are a variety of housing opportunities for very low and lower income households in particular. Priorities for the County in producing and preserving the rental housing stock include preventing conversion of multi-family apartments to condominiums through the Condominium Conversion Ordinance, supporting the Section 8 (existing) rental subsidy program by preserving the existing number of Section 8 subsidies and requesting additional subsidies to meet the County's housing needs.

OBJECTIVE 2.4: Preserve the County's existing stock of rental units and assist in the production of new rental units, as they provide affordable housing opportunities.

Existing Policies/Programs to Continue:

11. Affordable Housing Production

Program Description: Support the development of new affordable housing opportunities for very low, lower and moderate income households by:

- a) Exempting affordable units from the Permit Allocation System (see Program #1),
- b) Continuing the Inclusionary Housing program (Measure J) and revising the Affordable Housing Ordinance (Chapter 17.1) as necessary: to increase percentage of inclusionary units required; to simplify the program; and, to create incentives for developers to want to participate in the program such as financial incentives or technical assistance (i.e. special permit handling, priority processing) incentives,
- c) Creating a Density Bonus Ordinance which provides incentives to developers proposing 10% very low or 20% lower income or 50% senior projects,
- d) Increasing coordination with the Redevelopment Agency in providing incentives to developers, and
- e) Seeking the \$398-643 million dollars in funding necessary to produce the estimated 4,675-7,672 affordable housing units.

Objective: Very low income households: 2,090-3,430 units
Lower income households: 1,266-2,077 units
Moderate income households: 1,319-2,165 units

TOTAL: 4,675-7,672 Units

Time Frame:

1991-92: Revising permit allocation process to exempt affordable units

1991-92: Revising Affordable Housing Ordinance and creating Density Bonus Ordinance

1989-1996: Supporting the production of 4,675-7,672 affordable units and pursuing the funding necessary from State, Federal and other sources

Responsible Party: Planning Department, Redevelopment Agency, Board of Supervisors Non-Profit Housing Developers, Housing Authority, Private Development Community

Financing: Redevelopment Low and Moderate Income Housing Fund, State and Federal housing programs (see representative listing in Appendix #1)

12. Mobile Home Park Preservation and Affordability

Program Description: Continue to implement County Code Chapter 13.13 which provides guidelines for the mobile home rent stabilization program. In addition, continue to implement County Code Chapter 13.30 which restricts mobile home park owners from converting parks to other uses. Consider creating a special land use category for mobile homes and designating existing parks as "Mobile Home Parks" on General Plan Land Use Map. Maintain the Mobile Home Co-op Conversion Program managed by the Redevelopment Agency.

Objective: Preserve existing mobile home parks and actively assist in providing affordable housing opportunities through rent stabilization and cooperative conversion programs.

Time Frame:

1991-1993: Evaluate feasibility of creating special land use category for mobile home parks on General Plan Land Use Map.

1991-1996: Continue to implement County Code Chapters 13.13 and 13.30 and Mobile Home Co-op Conversion Program.

Responsible Party: Planning Department, Board of Supervisors, Redevelopment Agency

13. Condominium Conversion and Demolition/Replacement Housing

Program Description: Continue to implement the Condominium Conversion Ordinance (County Code Chapter 14.02) to protect the rental housing stock. Continue to implement the Demolition and Replacement Ordinance (County Code Chapter 12.06) which requires replacement of affordable housing units that are demolished or converted to non-residential use and located in projects of 3 or more units.

Time Frame: 1991-1996

Responsible Party: Planning Department, Board of Supervisors

14. Coordination with Other Public and Private Organizations

Program Description: Continue to work with the Housing Authority, non-profit housing developers and for profit developers on developing affordable housing opportunities. Maintain adequate data bank on housing stock characteristics and make available to interested parties who may need it for funding applications and program descriptions.

Time Frame: 1991-1996

Responsible Party: Planning Department, Board of Supervisors

15. Foreclosure Fund

Program Description: Continue to maintain a revolving fund to assist inclusionary (Measure J) units or any other eligible affordable units in threat of foreclosure proceedings. The funds are used to maintain the affordability of the unit to a lower or moderate income household and to preserve the unit as part of the County's affordable housing stock.

Time Frame: 1991-1996

Responsible Party: Planning Department, Board of Supervisors, Redevelopment Agency

Financing: \$140,000 in "start up" funds already provided; additional funds as needed from "in lieu" fees or other sources.

Existing Policies/Programs to be Revised:

16. Affordable Housing Outreach

Program Description: Designate the "Affordable Housing Outreach" program as a high priority work task for the 1991-1993 program years. As part of that program, include the following items for staff to complete:

- a) Designate as "affordable housing sites" those sites within the Urban Services Line which have adequate services and facilities and would be appropriate for affordable units (designate as "H" sites).
- b) Aggressively inform the public and the development community about the availability of permits for affordable housing units (1991).
- c) Continue to work towards improving the public's perception of the Planning Department's attitude about housing, especially affordable housing. Nurture an approach to housing development, with staff that are enthusiastic and helpful to developers who wish to provide affordable housing. Fast tracking of applications,

reduced time lines, reduction of fees, etc. are all examples of actions that the Planning Department can take to "improve" the public's perception of the Planning Department.

d) Use consistent language in reporting information on affordable housing.

Affordable housing includes the inclusionary (Measure J) program as well as other units developed with government assistance, whose affordability is restricted for a period of time.

e) Provide improved household and unit data for the County's affordable housing units, including the inclusionary units as well as other affordable units built by non-profit and for-profit developers. Organize the data as appropriate for the needs of the Planning Department, Redevelopment Agency and the Housing Authority. At a minimum, include:

- # of total housing units developed
- # of total affordable units developed (including inclusionary units)
- # of Inclusionary (Measure J) units developed
- # of affordable units according to household income categories;
that is, a breakdown of units according to whether they are
affordable by very low, lower or moderate income households
- # of affordable units by income category (see above) and
household tenure (owner or renter)
- type and length of affordability restrictions and monitoring
requirements.

Report the information above on an annual basis in the staff report prepared for the establishment of growth rates and permit allocations.

f) In conjunction with e) above, monitor the location of affordable units in the County. Develop and implement a policy which encourages the proportional distribution of affordable housing units in the County, based on the existing supply of affordable housing, the development potential of the area, and the access to employment opportunities.

g) Prepare a brochure outlining requirements and procedures for affordable housing.

Objective: Maintain and preserve existing inventory of affordable housing stock. Encourage use of building permits allocated for affordable units.

Time Frame:

1991-1993: Implement Affordable Housing Outreach Program

1991-1996: Maintain and update information on affordable housing stock as identified in "e" above; Monitor location of affordable units in County.

Responsible Party: Planning Department, Redevelopment Agency, Housing Authority, Board of Supervisors

17. "Second Unit" Programs

Program Description: Revise the existing Second Unit programs so that more property owners are encouraged to provide second units. The existing affordable second unit programs are the "Accessory Second Unit" and the "Affordable Second Unit" programs. Create incentives (either financial or technical assistance with permit processing) to encourage property owners to provide more affordable units and develop public information/outreach program to correct public misperceptions and encourage program participation. Consider revising affordability restrictions to exempt family members.

Objective: 40-50 Second Units/Year (200-250 Units Total)

Time Frame: 1991-1996

Responsible Party: Planning Department, Board of Supervisors, Housing Advisory Commission

18. Leverage Additional Affordable Housing Funds

Program Description: Aggressively explore the variety of potential financial assistance programs from both the public and the private sector to provide more affordable housing units. Examples of public and private sector fund resources include the list in Appendix #1.

Objective: Secure additional funding sources for affordable housing opportunities.

Time Frame: 1991-1996

Responsible Party: Planning Department, Board of Supervisors, Redevelopment Agency, Housing Authority, Housing Advisory Commission, County Administrative Office

New Policies/Programs

19. Innovative and Cost Effective Building Technology

Program Description: Encourage the production of more affordable units through modern building technology, such as manufactured housing. Such housing would need to demonstrate that it meets building code, design criteria and neighborhood compatibility standards. Evaluate the possibility of adopting a policy encouraging developers of affordable housing to consider the use of manufactured housing in their developments.

Time Frame:

1992-1994 Evaluate potential policies and programs to encourage use of manufactured housing in residential developments.

Responsible Party: Planning Department, Board of Supervisors

20. Coordination with New Community Housing Program Initiatives

Program Description: Support the work of the Greater Santa Cruz County Community Foundation in their objective to develop a public-private initiative to address housing issues. The Foundation has been awarded a \$500,000 grant to administer a 5 year program designed to bring together public and private leaders in the community to identify housing problems and solutions. Encourage the Foundation to develop or programs that support the goals and objectives as identified in this Housing Element.

Time Frame: 1991-1996

Responsible Party: Greater Santa Cruz County Community Foundation, Planning Department, Board of Supervisors, County Administrative Office

21. Housing Trust Fund

Program Description: Investigate the feasibility of developing a Housing Trust Fund to provide an additional source of financing for housing that is locally-controlled and managed. Housing Trust Funds have been established in other communities to provide additional sources for funding and program support for affordable housing. Examples of funding resources that other communities have used to establish Housing Trust Funds include real estate property transfer taxes, hotel and motel taxes, private and public donations and General Fund transfers.

Time Frame: 1992-1994

Responsible Party: Planning Department, Board of Supervisors, County Administrative Office

22. Preservation of Affordable Units, Including Government Assisted Housing Developments

Program Description: Preserve the affordable housing units in the County's housing stock (1,329 units as of December, 1990). A significant portion of those 1,329 units are the 698 affordable housing units that have been assisted with HUD financed mortgages and/or Section 8 assistance. Two of the HUD-assisted developments, Pajaro Vista and Villa San Carlos, are scheduled to have their Section 8 rental subsidies renewed during the time frame of this Housing Element. Monitor the status of those renewal contracts and develop contingency plans as needed if contracts are not renewed.

Objective: Preserve affordable units, including 698 HUD-assisted units.

Time Frame: 1991-1992: Monitor Villa San Carlos development

1993-1994: Monitor Pajaro Vista development

Funding: If assistance is needed to preserve the Villa San Carlos or Pajaro Vista units, potential funding resources include CDBG funds, Redevelopment housing funds, Foreclosure Funds for Affordable Units and the funding sources listed in Appendix #1.

Responsible Party: Planning Department, Redevelopment Agency, Board of Supervisors

23. New Assistance Programs: Relocation and Rental Deposit Funds

Program Description: Develop programs to 1) assist residents who may need relocation assistance because of public or private actions and, 2) assist lower income residents in securing housing entry costs (rental deposit and security costs). As part of the relocation program, develop policies to minimize relocation as much as possible. If relocation is necessary, design appropriate policies and funding resources to assist with both temporary and permanent relocation.

Time Frame: 1992-94: Develop Relocation Assistance Program

1992-94: Develop Rental Deposit Assistance Program

Funding: Redevelopment Housing Funds, Housing Trust Funds (Program #21 above)

Responsible Party: Planning Department, Redevelopment Agency, Board of Supervisors

24. Co-Housing Opportunities

Program Description: Evaluate the feasibility of developing a Co-Housing Ordinance. Work with local groups and individuals interested in promoting co-housing opportunities.

Time Frame: 1992-1993: If feasible, develop a Co-Housing Ordinance.

Responsible Party: Planning Department, Board of Supervisors

Goal 3.0

Existing Housing Conditions: To maintain and improve the physical condition of existing housing

The County's existing stock of 52,562 housing units (as of January, 1990) is an important and valuable resource. It is critical that these units be maintained and repaired as needed so that they 1) provide safe and sanitary housing for the occupants, and 2) do not deteriorate to a point where replacement rather than rehabilitation is needed.

Information on pages 36-39 of this document indicate that 37% of the existing housing stock in 1990 was 30 years of age or older. During the 1990-2000 decade, another 11,613 units will be 30 years of age or older; therefore, by the year 2000, a total of 31,195 units or 59% of the 1990 total housing stock will be 30 years of age or older. This is a significant number of units and, consequently, the need for rehabilitation and maintenance programs will be increased.

During the 1991-96 time frame, it is important that the County recognize the importance of maintaining and/or improving the condition of the existing housing stock by 1) continuing to seek all possible funding sources for the County's housing rehabilitation program, 2) conduct more detailed surveys of the housing condition of the entire housing stock of the County, 3) make a special effort to include rental units and mobile homes in rehabilitation efforts, and 4) plan a coordinated approach to addressing the need for housing rehabilitation in the coming years. As an objective, the County will seek to provide assistance for 375-500 units during the 1991-96 time frame and will continue to encourage private rehabilitation and maintenance of housing units. It is expected that some of the 375-500 units assisted will be helped through Redevelopment housing programs.

OBJECTIVE 3.1: Encourage the continued rehabilitation and maintenance of the County's existing housing stock. The objective for 1991-96 will be to assist 75-100 units per year (or 375-500 units over the five year period) with publicly assisted rehabilitation and to encourage the private rehabilitation and maintenance of units.

Existing Policies/Programs to Continue:

25. Housing Rehabilitation Program

Program Description: Continue to administer the a housing rehabilitation program and provide financial and technical assistance to property owners to rehabilitate their housing units. Expand the rehabilitation program to include more funding resources and to ensure adequate assistance for all types of rehabilitation needs, including rental rehabilitation, rehabilitation of owner occupied units and rehabilitation of mobile homes. Seek State CDBG funds during 1991-96 period to both extend and broaden the County's existing rehabilitation program.

Housing Rehabilitation Program (Continued)

Objective: 75-100 Units Rehabilitated Annually, 375-500 total units over time frame of the Housing Element

Time Frame: 1991-1996

Responsible Party: Planning Department, County Housing Authority, Redevelopment Agency, Board of Supervisors

26. Housing Rehabilitation Funding Sources

Program Description: To support Program #25 above, aggressively pursue all sources of funding for rehabilitation of housing units. The State Community Development Block Grant (CDBG) program has provided funds for the County's rehabilitation program in the past and the County will continue to request CDBG funds from the State for the continuation of the rehabilitation program. Other potential resources include the federal housing programs such as Section 312, the Rental Rehabilitation Program, the HOME program, and state housing programs such as California Housing Rehabilitation Program (CHRP) for both owner occupied and renter occupied housing.

Time Frame: 1991-1996

Responsible Party: Planning Department, County Housing Authority, Redevelopment Agency, Board of Supervisors

27. Maintenance of Existing Units

Program Description: Continue administration of the "Civil Penalties" program which establishes civil penalties for illegal construction or conversion of residential structures. This program establishes substantial penalties for construction or conversion of structures which require a building or development permit. Continue to enforce Title 24 requirements for residential construction activities.

Time Frame: 1991-1996

Responsible Party: Planning Department, Board of Supervisors

New Policies/Programs:

28. Inter-Jurisdictional Coordination of Housing Rehabilitation Activities

Program Description: Evaluate the possibility of cooperating with other local jurisdictions in the County that are operating housing rehabilitation programs to see if there could be some cost-savings regarding staffing levels or program administration.

Time Frame: 1991-1993

Responsible Party: Planning Department, Board of Supervisors, County Administrative Office

29. Updated Housing Condition Survey Data

Program Description: Maintain a current housing condition survey of housing units in the County. Update as needed and include revised number of units in need of rehabilitation and replacement in amendments to the Housing Element on a regular basis throughout the 1991-96 time frame.

Objective: Maintain an updated data base on housing conditions of residential units.

Time Frame: 1991-1993

30. Program for Illegal Units

Program Description: Evaluate the feasibility of developing a program which would focus on illegally constructed units. The purpose of this program would be to correct health and safety deficiencies and to provide rehabilitated decent, safe and sanitary housing units, where appropriate. It is recognized that this type of program would involve a significant level of staff and funding resources and would also involve extensive public outreach and education.

Objective: Provide more safe and sanitary units as part of the legal housing stock.

Time Frame: 1992-93: Evaluate program feasibility

Responsible Party: Planning Department, Board of Supervisors

31. Adaptive Residential Reuse

Program Description: Encourage the rehabilitation of seasonal and motel units to permanent residential housing units through the County's housing rehabilitation program and the Redevelopment Agency's housing programs.

Objective: Provide additional housing units through the conversion of seasonal and motel units.

Time Frame: 1991-96: Program Implementation

Responsible Party: Planning Department, Redevelopment Agency, Board of Supervisors

Goal 4.0

Equal Housing Opportunity: To insure that all County residents have equal access to housing opportunities.

Safe, decent and affordable housing should be available to all households in the County, regardless of such factors as sex, ethnic background or household type. There have been six types of households identified in the County as being "special need" households: these are, senior, single parent, overcrowded, disabled, farmworker and homeless households. Affordable housing is a top priority for all of these households and, in addition to affordability, some of these households have other special housing needs as described on pages 13-31 of this Housing Element. The important priorities for the County for the 1991-96 time frame will be to continue to ensure that all households have equal access to housing opportunities and to ensure that the households identified as being "special need" households be given consideration in approving or supporting potential housing programs.

OBJECTIVE 4.1: Continue to ensure that all households have equal access to housing opportunities and strive to address the housing needs of those households identified as "special need" households in the Housing Element. In addition to the programs listed below, support the recommendations for households with special needs as listed on pages 17, 23-24, 27-28 and 31B of this document.

Existing Policies/Programs to Continue:

32. Continue Programs that Assist "Special Need" Households

Program Description: Continue to support the following programs:

- a) **Seniors:** Continue to support the provision of a Shared Housing Program for seniors and other households in Santa Cruz County. As long as funding remains available, provide financial support for the administration of a Shared Housing Program.
- b) **Seniors:** Continue the provision of information on "Home Equity Conversion," currently provided by the Santa Cruz County Housing Authority.
- c) **Seniors:** Continue to retain and maintain existing senior-only mobile home parks in the County and to encourage maintenance of existing mobile homes.
- d) **Disabled:** Continue to allow accessibility improvements as eligible work items in the County-sponsored housing rehabilitation program.
- e) **All Special Need Households:** Continue to seek all available sources of financing for affordable housing opportunities for the special need households in the County. Examples of the types of sources to be examined include federal programs; such as the Section 8 (Existing) rental subsidy programs, Section 202 housing financing, State of California housing assistance programs, and private financing resources.

Time Frame: 1991-1996

Responsible Party: Planning Department, Board of Supervisors

33. Fair Housing Information

Program Description: Continue to fund the Legal Aid, or a similar organization, to provide fair housing and anti-discrimination information to County households. In addition, support the continuation of services provided by the County's Office of Consumer Affairs to provide tenant/landlord information.

Time Frame: 1991-1996

Responsible Party: Housing Law Center, Planning Department, Office of Consumer Affairs, Board of Supervisors

34. Security Deposit Interest Ordinance

Program Description: Continue to implement the Security Deposit Interest Ordinance which stipulates that interest earned on security deposits for residential rental units be repaid to the tenants.

Time Frame: 1991-1996

Responsible Party: Planning Department, Office of Consumer Affairs, Board of Supervisors

New Policies/Programs:

35. Study of Farmworker Housing Needs

Program Description: Conduct a comprehensive study of the housing needs of farmworker households during 1991-92. Based on the results of the study, aggressively pursue numerous housing programs and funding sources including, but not limited to, the following:

- a) priority processing for farmworker housing developments,
- b) allowance for increased density on selected sites that are non-prime farmland parcels,
- c) reuse of auxiliary facilities on existing sites,
- d) specific designation of sites for farmworker housing on the General Plan, Local Coastal Plan and land use maps,
- e) evaluation of the "Rural Village Cluster Housing" concept for farmworker housing,
- f) review and consider further revisions to the existing farmworker housing ordinance, and
- g) pursuit of all available funds for farmworker housing, including State of California rural assistance funds, Farmers Home Administration funds, CDBG funding, private donations and funding sources such as noted in Appendix #1 of this Housing Element.

Objective: Comprehensive study of the needs of farmworker households in Santa Cruz County and implementation measures to address the identified needs.

Time Frame: 1991-92: Completion of Farmworker Housing Study
1992-96: Implementation of Study results

Responsible Party: Planning Department, Housing Advisory Commission, Board of Supervisors

Financing: Community Development Block Grant Technical and Planning Assistance Funds for Study as well as funds identified in "g" above.

36. CDBG Funding for Improvements to Buena Vista Farmworker Housing

Program Description: Implement the 1991-92 CDBG application for improvements for wastewater facility at the Buena Vista farmworker housing development.

Objective: Improve existing wastewater facility at Buena Vista Farmworker Housing development.

Time Frame:

1991: Submit application for CDBG funds for wastewater improvements

1992: If application is successfully funded, complete improvements; if not, seek other, alternative funding resources

Responsible Party: Planning Department, County Housing Authority, Board of Supervisors

Funding: CDBG funds, fund resources listed in Appendix #1 of this Housing Element

37. Congregate Living Units

Program Description: Monitor the number of new congregate living units developed in the County. Implement the requirement that 35% of the Congregate Care units be affordable as specified by the Board of Supervisors and implement the other Board-adopted findings resulting from the Congregate Care study. If no projects are developed by January, 1995, the 35% affordability requirement and the development standards should be reviewed.

Time Frame: 1991-1996

Responsible Party: Planning Department, County Housing Authority, Board of Supervisors

38. Senior Housing Sites

Program Description: As part of the General Plan Update process, consider designating senior housing sites at locations appropriate for senior housing. Include the possibility of designating high density residential sites which would be appropriate for senior housing developments.

Time Frame: 1992-1994

Responsible Party: Planning Department, Seniors Commission, Board of Supervisors

39. Inventory of Senior Housing Developments

Program Description: Maintain a current inventory of senior housing developments in the County with information on development location, eligibility requirements, affordability, type of units, level of services offered, etc. Use existing inventory developed by the Seniors Commission as initial base data.

Time Frame: 1991-86

Responsible Party: Planning Department, Seniors Commission, Senior Network Housing Program, Long Term Care Committee, Board of Supervisors

40. Consumer Housing Information Service

Program Description: Support the development of a "Consumer Housing Information Service for Seniors" by the Area Agency on Agency.

Time Frame: 1991-1996

Responsible Party: Area Agency on Aging, Seniors Commission, Senior Network Housing Program, Board of Supervisors

41. Encourage Units Suitable for Large Households

Program Description: Monitor the type and size of new housing units approved for development. Encourage the development of larger-sized units (i.e. 3 or more bedrooms) in both single-family as well as multi-family developments.

Time Frame: 1991-1996

Responsible Party: Planning Department, Redevelopment Agency, Board of Supervisors

42. Child Discrimination Ordinance

Program Description: Review existing County regulations regarding child discrimination and investigate feasibility of establishing occupancy standards for rental units. The intent of both of these actions would be to discourage discrimination in housing for families with children.

Time Frame: 1992-93: Review existing regulations and investigate feasibility of establishing occupancy standards.

Responsible Party: Planning Department, County Counsel, Board of Supervisors

43. Residential Developments with Child Care Facilities

Program Description: Develop and implement requirements for providing on-site child care facilities in large-scale residential developments.

Time Frame: 1992-93: Develop requirements

1993-96: Implement requirements

Responsible Party: Planning Department, Redevelopment Agency, Board of Supervisors

44. Support Goals for Disabled Households

Program Description: Support the development of additional housing opportunities for disabled households. Encourage the attainment of the housing goals as identified in the 1990 "Mental Health Housing Plan;" especially, the development of a Residential Care Facility, studio or single room occupancy apartments, dual diagnosis transitional housing, transitional residential treatment programs with 24 hour support.

Time Frame: 1991-1996

Responsible Party: Planning Department, Human Resources Agency, Mental Health Housing Advisory Committee, Board of Supervisors

45. Inventory of Accessible Units for Physically Disabled Households

Program Description: Develop an inventory of residential units that are accessible by physically disabled households. Include information on unit location, affordability, size of units and other pertinent data.

Time Frame: 1991-1996

Responsible Party: Planning Department, Seniors Commission, Long Term Care Commission, Mental Health Advisory Housing Committee, Board of Supervisors

46. Transitional Housing Facilities and Emergency Housing Site Development

Program Description: Support the development of transitional housing facilities in north or mid county. Identify sites suitable for emergency or transitional housing in the unincorporated areas.

Time Frame: 1991-1993: Site Identification

Responsible Party: Planning Department, Mental Health Housing Advisory Committee, County Housing Authority, Board of Supervisors, Human Resources Agency

Financing: Possible funding sources include those listed in Appendix #1 in the Housing Element.

47. Revised Development Standards and Zoning Classifications for Special Need Households

Program Description: Revise zoning and development standards to reflect the special housing needs of the homeless, disabled and those that rely on SRO (Single Room Occupancy) accommodations. For example, parking requirements should be reviewed and reduced as appropriate. Revise zoning definitions and residential unit definitions to reflect single person household requirements.

Time Frame: 1992-93: Review development standards and zoning definitions.

Responsible Party: Planning Department, Board of Supervisors

48. Rehabilitation Assistance For Special Need Households

Program Description: Provide rehabilitation funds at low or no interest rates to rehabilitation projects that provide housing for the homeless, farmworkers, psychiatrically disabled and physically disabled persons.

Time Frame: 1991-96

Funding: Community Development Block Grant Funds, Redevelopment housing funds, Hazard Mitigation Assistance Grant

Responsible Party: Planning Department, Non-Profit Agencies, Housing Authority

49. Coordination of Funds for Special Need Households and/or Very Low and Low Income Households

Program Description: The Planning Department shall coordinate with the Redevelopment Agency of the County to leverage the use of funds from both agencies, whenever feasible. Future Community Development Block Grant (CDBG) applications shall contain this joint use of funds program element to illustrate: (1) the County's coordinated housing program; (2) the amount of "local match" to be provided by the County, and (3) the County's resolve in financially assisting affordable housing programs.

Time Frame: 1991-96

Funding: Community Development Block Grant Funds, Redevelopment housing funds

Responsible Party: Planning Department, Redevelopment Agency, Board of Supervisors

GOAL 1.0:

Housing Supply: To insure a decent home and a suitable living environment for all County residents.

OBJECTIVES**POLICIES/PROGRAMS****Objective 1.1**

In order to meet its new construction goals, the County will exempt affordable housing units from the permit allocation process. Further, the County will establish an annual population growth goal which reflects the regional fair share housing goals and new construction projections of AMBAG, (or the County's revisions, if approved).

Objective 1.2

The County will facilitate and encourage the use of allocated and available permits through simplifying permit processing and development procedures, providing technical assistance and support to the development community, and reducing development processing timelines as much as possible.

Objective 1.3

The County will ensure that an adequate amount of publicly and privately held land is designated in the General Plan and appropriately zoned for high density residential development to accommodate the County adopted regional fair share housing goals for affordable units.

1. Permit Allocation System

Allow an average annual allocation of 310-590 permits per year for housing for above-moderate income units. Exempt very low, lower and moderate income affordable units from allocation system up to a maximum of 4,675-7,672 total units from 1991 to 1996.

2. Permit and Developing Processing

Simplify and reduce time lines in permit and development processing procedures.

3. Inventory of Available Land/Rezoning of Parcels

Maintain an inventory of vacant and underdeveloped parcels and rezone as appropriate to residential use.

4. Annual Report on Growth Goals and Building Activity

Include specific information regarding development activity in annual report.

5. Density Bonus Program

Revise existing density bonus ordinance to comply with State Density Bonus Law.

6. Land Use Consistency

Ensure that General Plan and zoning land use designations are consistent.

7. Residential Fee Structure

Review existing residential fees charged for new development and revise as appropriate.

GOAL 1.0:

Housing Supply: To insure a decent home and a suitable living environment for all County residents.

OBJECTIVES

POLICIES/PROGRAMS

See Objectives 1.1 - 1.3 on page 120.

8. Residential/Commercial Mixed Use

Evaluate potential of combining residential and commercial uses in existing and new developments.

9. Allowance of Residential Uses in Commercial Zones

Consider the provision of residential, especially high density residential, in existing commercially zoned areas.

10. Clarification of Land Use Regulations

Clarify Land Use regulations as specified in Volume 2 of the County Code and simplify as much as possible.

GOAL 2.0:

Housing Affordability: To protect and increase the supply of housing affordable to very low, lower and moderate income households.

OBJECTIVES**Objective 2.1**

Support the development of affordable units sufficient to meet the new construction goals for very low, lower and moderate income households as identified in AMBAG's Regional Housing Need Plan, (or the County's revision if approved).

Objective 2.2

Preserve the existing affordable housing inventory of 1,329 housing units through the following actions:

- a) monitor the status of the renewal of Section 8 contracts for both Villa San Carlos and Pajaro Vista developments,
- b) preserve the existing affordable housing stock by maintaining a comprehensive and updated information data base on the units included under the inclusionary housing (Measure J) program and other units considered to be "affordable"
- c) continue to utilize the Foreclosure Fund for Affordable Units to assist threatened affordable units.

Objective 2.3

Conserve the County's existing stock of 3,480 mobile homes by continuing to enforce County ordinances that protect mobile home parks from conversion and that provide rent stabilization agreements.

Objective 2.4

Preserve the County's existing stock of rental units as they provide affordable housing opportunities.

POLICIES/PROGRAMS**11. Affordable Housing Production**

Support the development of 4,675-7,672 units affordable to very low, lower and moderate income households. (Same units as referred to in Program #1 on page 120.)

12. Mobile Home Park Preservation and Affordability

Preserve existing mobile home opportunities in County and encourage affordability through rent stabilization and conversion programs.

13. Condominium Conversion and Demolition and Replacement Housing

Continue to implement and improve ordinances related to condominium conversion and the demolition and replacement of housing units.

14. Coordination with Other Public/Private Organizations

Continue to work with other organizations in developing affordable housing opportunities.

15. Foreclosure Fund

Provide funding, as available, for threatened affordable units.

16. Affordable Housing Outreach

Develop and implement the outreach program to encourage more affordable housing units.

17. "Second Unit" Program

Revise second unit programs so that 200-250 second units are developed between 1991-96.

GOAL 2.0:

Housing Affordability: To protect and increase the supply of housing affordable to very low, lower and moderate income households.

OBJECTIVES**POLICIES/PROGRAMS**

See Objectives 2.1-2.4 on page 122.

18. Leverage Additional Affordable Housing Funding

Seek all available funding sources for affordable housing opportunities.

19. Innovative and Cost Effective Building Technology

Encourage more affordable housing units through new methods of building construction.

20. Coordination with New Community Housing Program Initiatives

Support the Greater Santa Cruz County Community Foundation in their efforts to provide more affordable housing opportunities.

21. Housing Trust Fund

Evaluate the feasibility of establishing a Housing Trust Fund in Santa Cruz County.

22. Preservation of Affordable Units, Including Government Assisted housing Developments

Preserve the 1,329 affordable housing units (1990) which includes 698 HUD assisted units.

23. Assistance Programs: Relocation and Rental Deposit

Develop a relocation assistance program and a rental deposit program for lower income residents.

24. Co-Housing Opportunities

Evaluate the feasibility of developing a Co-Housing Ordinance for the County.

GOAL 3.0:

Existing Housing Conditions: To maintain and improve the physical condition of existing housing.

OBJECTIVES**Objective 3.1**

Encourage the continued rehabilitation and maintenance of the County's existing housing stock. The objective for 1991-96 will be to assist 75-100 units per year with publicly assisted rehabilitation and to encourage the private rehabilitation and maintenance of units.

POLICIES/PROGRAMS**25. Housing Rehabilitation Program**

Rehabilitate 75-100 units per year (375-500 units total) through the County's Housing Rehabilitation Program, including the units assisted with Redevelopment housing funds.

26. Housing Rehabilitation Funds

Seek all potential sources of funding for the County's rehabilitation efforts.

27. Maintenance of Existing Units

Continue to enforce ordinances and programs which encourage legal construction and maintenance of residential units.

28. Inter-Jurisdictional Coordination of Housing Rehabilitation Activities

Evaluate potential for cost savings in coordinating housing rehabilitation activities with other communities.

29. Updated Housing Condition Survey Data

Maintain current survey data on condition of existing units in the County.

30. Program for Illegal Units

Evaluate feasibility of establishing a program which would focus on illegally constructed units.

31. Adaptive Residential Reuse

Encourage rehabilitation of seasonal and motel units to permanent residential housing.

GOAL 4.0:

Equal Housing Opportunity: To insure that all County residents have equal access to housing opportunities.

OBJECTIVES**Objective 4.1**

Continue to ensure that all households have equal access to housing opportunities and strive to address the housing needs of those households identified as "special need" households in the Housing Element.

POLICIES/PROGRAMS**32. "Special Need" Household Programs**

Continue to support the provision of existing programs that assist special need households.

33. Fair Housing Information

Continue to provide assistance to organizations that provide fair housing and anti-discrimination information.

34. Security Deposit Interest Ordinance

Continue to implement the Security Deposit Interest Ordinance.

FARMWORKER HOUSING**35. Study of Farmworker Housing Needs**

Conduct a comprehensive study of farmworker housing needs and, when study is completed, develop a program to implement the recommendations of the study.

36. Funding Sources

Aggressively seek all funding sources for the construction and rehabilitation of farmworker housing. Use 1991-92 CDBG grant for improvements to Buena Vista, and rural assistance grants.

SENIOR HOUSING**37. Congregate Living Units**

Monitor the development of congregate care units in the County.

GOAL 4.0:

Equal Housing Opportunity: To insure that all County residents have equal access to housing opportunities.

OBJECTIVES

See Objective 4.1 on page 125.

POLICIES/PROGRAMS

SENIOR HOUSING (Continued)

38. Senior Housing Sites

Consider designating sites specifically for senior housing, especially high density housing, on the land use and General Plan maps.

39. Inventory of Senior Housing Developments

Maintain a listing of current housing developments and residential opportunities for seniors.

40. Consumer Housing Information Service

Support the development of a service that would provide specific information to seniors in regards to housing.

FAMILIES AND LARGE FAMILIES

41. Encourage Units Suitable for Large Families

Encourage the development of housing units that have 3 or more bedrooms and are suitable for large families.

42. Child Discrimination

Review existing County regulations regarding child discrimination and investigate the feasibility of establishing occupancy standards for rental units.

43. Residential Developments with Child Care Facilities

Require large-scale residential developments to provide facilities for child care on site.

GOAL 4.0:

Equal Housing Opportunity: To insure that all County residents have equal access to housing opportunities.

OBJECTIVES

See Objective 4.1 on page 125.

POLICIES/PROGRAMS

DISABLED HOUSEHOLDS

44. Support Goals for Disabled Households

Support the development of affordable housing opportunities and the goals as identified in the 1990 "Mental Health Housing Plan."

45. Inventory of Accessible Units for Physically Disabled

Maintain a current inventory of units suitable for physically disabled individuals.

HOMELESS HOUSEHOLDS

46. Transitional Housing Facility and Emergency Housing Site Identification

Identify sites suitable for transitional and emergency housing and support development of such facilities.

ALL SPECIAL NEED HOUSEHOLDS

47. Revised Development Standards and Zoning Definitions

Revise development standards and zoning definitions to reflect housing needs of special need households.

48. Rehabilitation Assistance

Provide rehabilitation funds for projects that assist special need households.

49. Coordinate Funding for Special Need Households

Coordinate and leverage funding opportunities.

APPENDIX

Appendix #1:
Representative List of Housing Assistance Funds

Representative Listing of Potential Affordable Housing Funding Resources

Federal

1. *CDBG* (Community Development Block Grant): County is currently using this fund to administer the housing rehabilitation program (HAND). Funds are from the federal government and administered by the State of California. Funding is very competitive and grants are awarded on an annual basis.
2. *HOME* (Home Investment Partnerships Act): This program will replace a variety of specialized federal housing programs (as of Spring, 1991, the program regulations were still being developed) such as the Rental Rehabilitation Program, Section 312 and Section 8 New Construction and Rehabilitation Programs. The HOME is intended to expand the supply of decent and affordable housing with primary attention to low income rental housing. Funds can be used for rehabilitation, new construction, acquisition, site improvements, rental subsidies, etc. Preference is given to rehabilitation. There is a "matching" requirement from 25-50% of project costs, depending on whether the activity is rehabilitation (25%) or new construction (50%).
3. *Mortgage Credit Certificates*: MCCs give the first time homebuyer a federal income tax credit each year that the buyer keeps the same mortgage loan and lives in the same house. The MCC tax credit equals 20% of the mortgage interest paid each year. The value of the MCC is taken into consideration by the mortgage lender and may be used to adjust the borrower's federal income tax withholding resulting in an effective reduction in monthly housing costs, and therefore, an increased ability of the applicant to afford a mortgage payment. The County continues to participate in this program and plans to continue to participate as long as the program continues to be authorized.
4. *Low Income Housing Tax Credits* This is a federal and state program that provides dollar for dollar tax credits for the rehabilitation and new construction of affordable housing units. This program has become increasingly popular in recent years and, consequently, there are a limited amount of credits available. The program depends on re-authorization from Congress.
5. *Federal National Mortgage Association* (Fannie Mae) has supported the production of affordable housing units through a variety of programs. In 1991, Fannie Mae initiated a "3-2 Option" program which reduces some of the underwriting requirements for new home buyers. Under this program, the homebuyer only has to be responsible for 3% of the down payment and the remaining 2% (5% total downpayment) can come from a family member or non profit agency. In addition, the new program increases debt to income ratios so more households can qualify for assistance. The maximum loan amount under the program is \$191,250, which is a limit set by Congress.

State:

Propositions 77 and 84 approved by the voters in 1988 allocated \$450 million for housing programs. Proposition 107, approved in 1990, is expected to provide an additional \$150 million. In addition to bond funding, the "*California Housing Trust Fund*," also is a financing

source. The Trust Fund receives tidelands oil revenues (payment to the state by oil companies for oil exploration/extraction). Monies from the Trust Fund and recent bond issues have been used to support the following types of programs:

1. *California Housing Rehabilitation Program (CHRP)* provides funding for housing rehabilitation to property owners of owner occupied as well as rental housing. The two programs are known as CHRP-O for owner occupied rehabilitation and CHRP-R for rental rehabilitation.
2. *Rental Housing Construction Program (RHCP)* provides funding for new construction of rental units for very low and lower income households. The RHCP is a direct loan program available to private developers, public entities, limited equity housing coops, corporations, etc. for the production of affordable rental housing.
3. *Predevelopment Loan Program (PLP)* funds are allocated for predevelopment costs such as land purchase or options, professional services, permit fees, site preparation expenses, etc. Santa Cruz County Housing Authority was allocated \$600,000 in 1990 from this program for the Arroyo Verde Project.
4. *Special User Housing Rehabilitation Program (SUHRP)* provides funding for rehabilitation of housing units designed for households with special needs such as disabled homeless households.
5. *Mobile Home Park Assistance Program* Provides funding assistance to mobile home park owners to purchase their parks.
6. *Farmworker Housing Grant Program (FWHG)* provides funding for construction or rehabilitation of housing for agricultural workers. The program provides up to 50% matching funds to local governmental agencies and non profit corporations.
7. *Emergency Shelter Program (ESP)* provides funding for temporary shelter and support services for homeless households. Non profit organizations and local governmental agencies are eligible to apply for funding from this program.
8. *Family Housing Demonstration Program (FHDP)* was designed as a response to the changing demographics of California families. This new program will provide funding to build or rehabilitate rental or cooperative housing that combines affordable units with affordable child care, job training and job placement. The program provides very attractive loan terms of 3% financing, with payment on interest and principal deferred if necessary to preserve the financial feasibility of the project.
9. *California Housing Finance Agency (CHFA)* was created to provide additional financial resources and assistance for the provision of housing opportunities. Examples of programs that CHFA has been involved in include home purchase assistance programs, self-help housing development, second unit development and single and multi-family unit development.

Public/Private Partnerships

"Affordable Housing Program" Federal Home Loan Bank This program became operative in 1990 and is a major source of financing for affordable housing. The Federal Home Loan Bank uses dedicated bank earnings to subsidized below market financing of affordable housing developments. The amount of earnings dedicated by the Bank is pre-determined and is scheduled to increase in future years. San Francisco Federal Savings and Loan recently received funding assistance from this program to operate a mortgage assistance program for first-time buyers in Santa Cruz County.

Private:

California Community Reinvestment Corporation is a consortium of 126 major California banks. The Corporation is a nonprofit mortgage corporation, which will provide long term permanent financing for affordable housing through the State.

Greater Santa Cruz Community Foundation has received a \$500,000 grant to develop a public-private initiative that will address housing issues. The grant will fund administration of a 5 year program designed to bring together public and private leaders in the community to identify housing problems and solutions.

Appendix #2:
Glossary of Terms

GLOSSARY

The following abbreviations are used in the Housing Element:

AMBAG	Association of Monterey Bay Area Governments
CALDAP	California Disaster Assistance Program
CDBG	Community Development Block Grant
CHFA	California Housing Finance Agency
FEMA	Federal Emergency Management Agency
HAC	Housing Advisory Commission of the County of Santa Cruz
HAND	Housing Assistance and Neighborhood Development Program, County of Santa Cruz
HCD	Department of Housing and Community Development, State of California
HUD	Department of Housing and Urban Development, United States
MCC	Mortgage Credit Certificates
USL	Urban Services Line

Affordable Housing Unit: As used in this Housing Element, an affordable unit is either:

- a) a housing unit which was pursuant to the Inclusionary Housing Program and under the income, asset and price guidelines as established in the "Affordable Housing Requirements," (Section 17.10) or
- b) a housing unit produced under a government assisted or bond financed program in which affordability guidelines are established for very low, lower or moderate income households and the unit's affordability is protected for an established amount of time.

Association of Monterey Bay Area Governments: A voluntary association of cities and Santa Cruz and Monterey counties in California's Central Coast region. It is formed by a Joint Powers Agreement to serve as a forum for discussion of regional issues.

California Housing Finance Agency: A state agency established by the Housing and Home Finance Act of 1975, which is authorized to sell revenue bonds to generate funds for the development, rehabilitation, and conservation of low and moderate income housing.

Community Development Block Grant: A grant program provided by the U.S. Department of Housing and Urban Development and administered by the State of California, Department of Housing and Community Development. This grant allots funds to cities and counties for housing and community development activities.

Coastal Zone: An area within the jurisdiction of the California Coastal Act. The zone generally extends: up to 5 miles inland or to the ridge of Ben Lomond Mountain along Empire Grade north to the City of Santa Cruz; generally 1000 yards inland from Santa Cruz to Capitola; and along Highway 1 from Aptos south to the County line.

Household Income Limits: Median household income, adjusted for household size, is used to determine very low, lower, moderate and above moderate (upper income) household levels. The State of California, Department of Housing and Community Development, adjust these levels on a periodic basis and provides that information to local communities. See page 9 for 1990 income level determinations for the County.

Housing Assistance and Neighborhood Development Program (HAND): This program was established by the County of Santa Cruz to provide housing rehabilitation assistance and neighborhood development activities. In the past, the HAND program has provided financial and technical assistance to property owner interested in rehabilitating their housing units. The funding for HAND has primarily been through Community Development Block Grant (CDBG) awards. In 1990, the County transferred day-to-day administration of the HAND program to the Santa Cruz County Housing Authority but the program is still under the direct supervision of County Planning Department staff.

Housing Unit: The place of permanent or customary abode of a person. It includes a single family dwelling, a multi-family dwelling, a condominium, a modular home, a mobile home, a cooperative housing unit, or any other residential unit considered real property under State law.

Mortgage Credit Certificates: Authorized by Congress and the State of California, these credits are available to lower and moderate income households to assist in the qualifying and financing for the purchase of a housing unit. Mortgage Credit Certificates annually provide a 20% federal tax credit against the mortgage interest for the home purchased.

Senior: As used in this Housing Element, senior typically indicates a person 60 years of age or older. (Please note: specific housing programs or housing developments that are funded with governmental assistance may use another age threshold, e.g. 62 years or 65 years, to determine senior or elderly households.)

Urban Services Line: County unincorporated areas which are considered urban in nature and are so designated on County planning maps.

Appendix #3: References

REFERENCES

Document Prepared with Assistance of:

Jeff Loux, Assistant Planning Director, County of Santa Cruz

Steve Matarazzo, Principal Planner, County of Santa Cruz

Cherry McCormick, Senior Planner, County of Santa Cruz

Erik Schapiro, Housing Program Coordinator, County of Santa Cruz
Redevelopment Agency

People/Agencies Contacted:

Paul Brindel, Community Action Board

Jennifer Davis, Seniors Council

Sue Hastings Hoge, Santa Cruz County Housing Authority

Margaret Keith, Director, Community Resources for the Disabled

Jo Kenney, Santa Cruz Aids Project

Dolores Manning, County Mental Health Agency

Gary McNeil, Legal Aid

Brenda Moss, Senior Network

Bill Raffo, Santa Cruz County Housing Authority

Mary Thuerwachter, Legal Aid Society

Appendix #3: References

Reports:

A Perspective on Housing in California, Legislative Analyst Office, State of California, January, 1990

Assessment of Shelter and Housing Needs of the Homeless Population of Santa Cruz County, Summer 1990 by Short Term Housing Coalition of Santa Cruz County

A Study of Congregate Living Needs in Santa Cruz County by Anthony "Bud" Carney, April, 1990

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Migrant Farmworker Housing in California, 1988, State of California, Dept. of Housing and Community Development

Statewide Housing Plan Update, 1990, State of California, Dept. of Housing and Community Development

"Housing Element", City of Watsonville, 1986-87

"Housing Element", City of Capitola, 1989-90

"CDBG Application ", 1990, prepared by Housing Authority and County of Santa Cruz

AMBAG "Regional Housing Needs Plan," 1989

"Understanding Senior Housing for the 1990s", American Association of Retired Persons

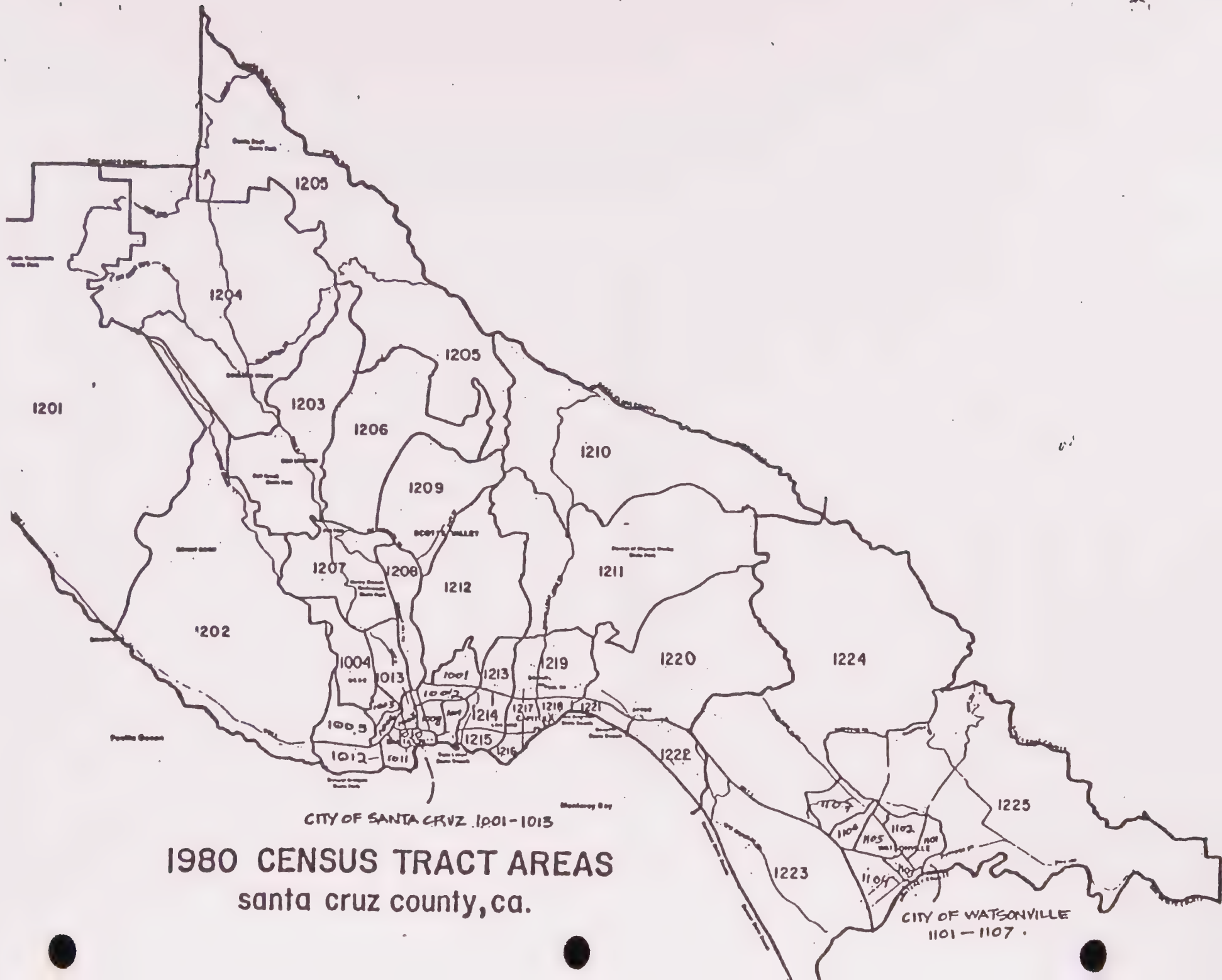
"Housing America," The Urban Institute, 1990

"The State of the Nation's Housing," Joint Center for Housing Studies at Harvard University, 1990

"Public Facilities and Services in the General Plan Program," County of Santa Cruz Planning Department, 1991

"Second Briefing Paper on Homeless Services and Service Gaps in Santa Cruz County: Analysis of Potential Strategies to Develop Needed Services," Human Resources Agency, County of Santa Cruz, February 1991

Appendix #4:
Map of AMBAG Housing Market Areas



Appendix #5:
List of Redevelopment Agency Projects

Attachment 1

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. 533-90

On the motion of Supervisor Patton
duly seconded by Supervisor Keeley
the following Resolution is adopted:

BOARD OF SUPERVISORS RESOLUTION REQUESTING AMBAG APPROVAL OF
AMENDMENTS TO THE REGIONAL HOUSING NEEDS PLAN

WHEREAS, AMBAG adopted the Regional Housing Needs Plan on June 13, 1990, which allocated housing growth to the local jurisdictions for the period of January 1989 through June 1996; and

WHEREAS, implementation of the Plan's allocation of housing to the unincorporated portion of Santa Cruz County would cause the County to grow at a rate in excess of the recent historic growth rates; and

WHEREAS, the allocations of the Plan would cause the County to exceed the growth allowed under the Regional Air Quality Management Plan; and

WHEREAS, AMBAG has requested the State Department of Housing and Community Development to reduce the allocation of housing to the region based on considerations of population employed out of the region and appropriate housing replacement rates; and

WHEREAS, the State has denied the AMBAG requests to reduce the regional allocation of housing.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the Santa Cruz County Board of Supervisors hereby requests that AMBAG approve an amendment to the Regional Housing Needs Plan to reduce the allocation of housing to the unincorporated portion of Santa Cruz County as shown in the attached Exhibit A, based on the previous AMBAG requests to the State Department of Housing and Community Development to reduce the housing allocation for population employed out of the region and to reduce the housing replacement rate.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 11th day of September, 1990, by the following vote:

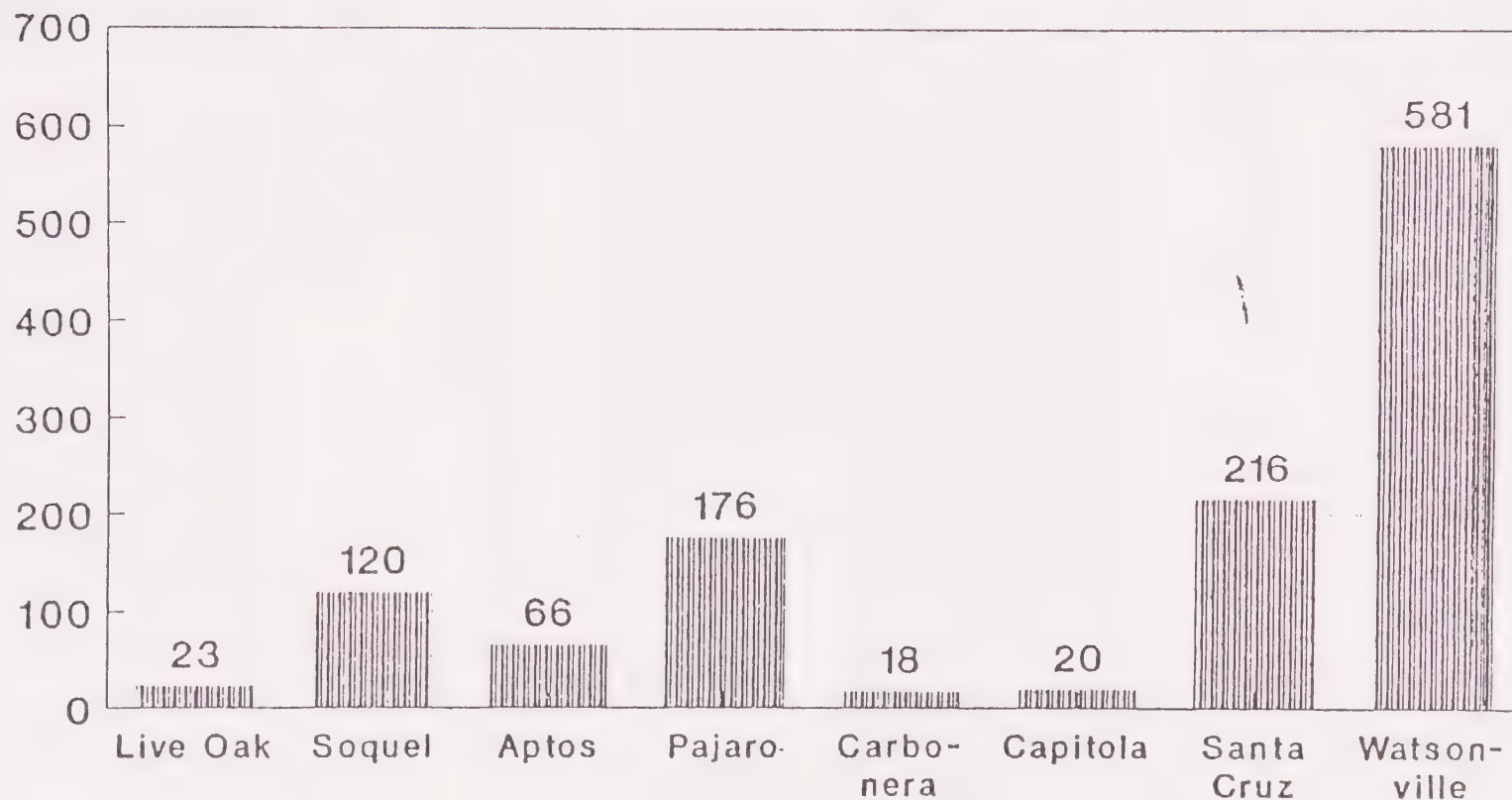
SANTA CRUZ COUNTY REDEVELOPMENT AGENCY
PROJECTED CAPITAL PROJECT APPROPRIATIONS
1988 & 1990 TAX ALLOCATION BOND ISSUES

BU#	DESCRIPTION	ORIGINAL TOTAL PROJECT COST	NET CHANGES	AMENDED TOTAL PROJECT COST	ADDED PER 1990 BOND	PROPOSED AMENDED TOTAL PROJECT COST	ACTUAL 1988-89	ACTUAL 1989-90	E/A 1990-91	APPROX 1991-92	1992-93	1993-94
86901	17th Ave. - Portola to Railroad	1,481,500	(267,610)	1,213,890	500,000	1,713,890	51,440	372,590	209,233	947,000	133,627	
86904	Hwy 1 / Bay Ave Interchange	365,000	(364,310)	690		690	690					
86905	Soq Crk Br & Soq Wharf Rd./Porter	342,000	364,310	706,310		706,310	246		233,100	472,964		
86907	Soquel Parking - Land Acquisition		575,000	575,000		575,000		227,871	80,803	266,326		
86908	Chanticleer Ave-Brommer to Soquel	221,000	1,879,000	2,100,000		2,100,000	10,778	26,178	91,021	1,924,000	48,023	
86910	Rodriguez St-Cap Ext to Chanticleer	540,000	(463,310)	76,690	700,000	776,690	1,690			68,000	338,000	369,000
86914	Soq Dr-Walnut St to Porter Gulch	540,000	265,000	805,000		805,000	7,899	6,351	32,639	758,111		
86922	Thurber Lane - Soquel to Helen	200,000	16,372	216,372		216,372	1,372	28,646	186,354			
86925	17th Ave. to 16th Ave.	15,500	98,596	114,096		114,096	96			114,000		
86927	14th Ave. to East Cliff Dr.	50,000	92,000	142,000		142,000	8,291	7,653	12,025	114,031		
86929	34th, 35th, 36th	435,000	555,700	990,700		990,700	7,959	82,009	880,655	20,077		
86932	Eddy Lane / Lido Way Drainage	30,000	13,289	43,289		43,289	289			6,000	37,000	
86933	Thurber Lane Channel	1,054,000	(554,000)	500,000		500,000	5,682	38,315	456,003			
86934	Soq Crk Fld Control Proj-Land Acq	400,000		400,000	1,000,000	1,400,000						1,400,000
86935	Eddy Lane Park Land Acq & Dev	600,000	(596,527)	3,473	1,980,000	1,983,473	249	3,224		1,500,000	480,000	
86936	Willowbrook Park - Acq & Dev	130,000	757	130,757	580,000	710,757	654	130,103	7,000	573,000		
86937	17th Ave Park - Design and Const	2,100,000	(30,884)	2,069,116	1,000,000	3,069,116	6,981	32,473	36,029	350,000	2,643,633	
86938	O'Neill Ranch - Acq & Dev	1,000,000	290,000	1,290,000	1,900,000	3,190,000	1,033,097	30,826	158,824	1,580,248	126,750	260,255
86939	Master Plan Studies	210,000		210,000		210,000	22,738	124,689	7,954	54,619		
86940	Plan Line Study for Road Projects	40,000	106,967	146,967		146,967			100,358	39,162		
86941	Soquel Village Design Project	65,000	(3,500)	61,500		61,500	45,000	12,500	4,000			
86942	Concept Design for Arterials & Sts	50,000	10,000	60,000		60,000				60,000		
86943	Street Tree Program	40,000	20,000	60,000	7,244	67,244	59		7,185	60,000		
86944	Associated Traffic Studies	30,000	72,027	102,027	20,000	122,027	16,916	10,084	35,027	60,000		
86945	East Cliff Drive - 13th to 17th		20,000	20,000	500,000	520,000			698	519,302		
86946	Live Oak Library	2,100,000	2,100	2,102,100	1,000,000	3,102,100		102,100	80,000	2,030,000	200,000	690,000
86947	*Initial Studies and Admin	695,000	(78,115)	616,885		616,885	574,488	42,397				
86948	Live Oak Community Plan		250,000	250,000	10,000	260,000			51,500	208,500		
86949	Felt Street Improvements		765,000	765,000		765,000		298,428	446,572	20,000		
86952	Pedestrian Bridge/Walnut/Main		224,000	224,000	87,404	311,404		277	41,127	270,000		
86953	Soquel Dr. - Soquel Village		203,361	203,361	500,000	703,361		3,361	398	699,602		
86954	Porter Street Improvements		198,000	198,000	700,000	898,000				8,000	244,000	646,000
86955	Soquel Village Business Dev		52,000	52,000		52,000			21,750	30,250		
86956	Economic Development - General											
86958	Parks Dept Staff Svcs to RDA		187,185	187,185		187,185			80,500	106,685		
86959	7th Ave-Eaton South-Sidewalk Const				700,000	700,000				70,000	630,000	
86960	7th Ave Park Acq & Dev				1,480,000	1,480,000			1,000,000	480,000		
86961	Auto Plaza				3,500,000	3,500,000			2,000	3,498,000		
86962	Capitola Ave - Design				20,000	20,000				20,000		
86963	Cunnison Lane Park Acq				2,200,000	2,200,000			200,000	2,000,000		
86964	Economic Development				1,100,000	1,100,000			302,627	445,000	352,373	
86965	Park Ave Improvements				600,000	600,000				600,000		
86966	Prather Lane Drainage				182,045	182,045			167,045	15,000		
86967	Soquel Ave - 17th West				700,000	700,000				56,000	414,000	230,000
86968	Special Studies				300,000	300,000				150,000	150,000	
86969	Granite Rock-Land Acquisition								2,226,000	(2,226,000)		
86970	Live Oak Business Development				30,000	30,000				30,000		
		12,734,000	3,902,408	16,636,408	21,296,693	37,933,101	1,796,614	1,587,522	7,158,427	17,997,877	5,797,406	3,595,255

*Administrative and total costs are reduced by amounts covered by tax increments.

Appendix #6:
Pending Affordable Housing Projects (1991)

Pending Affordable Housing Projects by Plan Area and in Incorporated Cities



||||| No. of Aff. Units

Info. derived from Housing Authority, April 1991

Appendix #6: Pending Affordable Housing Projects

Compiled by Redevelopment Agency

Total for Unincorporated County: 403 Units

Total for Incorporated and Unincorporated County: 1,220 Units

Appendix #7:
**AMBAG Correspondence Regarding Regional
Housing Needs Plan**



September 12, 1990

Steve Willians, Senior Regional Planner
Association of Monterey Bay Area Governments
P.O. Box 190
Monterey, CA 93942

SUBJECT: REVISION TO THE REGIONAL HOUSING NEEDS PLAN

Dear Steve,

Santa Cruz County has prepared a revision of the Regional Housing Needs Plan adopted by AMBAG to reduce the allocation of housing to the unincorporated portion of Santa Cruz County. This action was prompted by the fact that the adopted allocation requires an unrealistic increase in the housing production rate in the County, and the fact that the AMBAG allocation is not consistent with the Regional Air Quality Management Plan adopted by the Monterey Bay Unified Air Pollution Control District. The County's revision is based on the reductions requested by AMBAG in the State allocations to the region, based on the issues of out-of-area commuters and the housing replacement rate.

Santa Cruz County requests that AMBAG amend the Regional Housing Needs Plan to incorporate these revised allocations. Please find attached, a resolution of the Santa Cruz County Board of Supervisors formally requesting such amendment of the Regional Housing Needs Plan. Also attached, are the letter of the County Planning Department to our Board of Supervisors explaining the basis of the request, and the calculations on which the revisions are based.

If you have any questions regarding this material, please contact John Warren of our staff, at (408)-425-2771.

Sincerely,

Dianne Guzman,
Assistant County Administrative Officer/Planning Director

Attach: 1. Resolution #533-90 of the Santa Cruz County Board of Supervisors
2. Letter of the Santa Cruz County Planning Department of 9-4-90
3. Calculations for Revised Housing Allocations

CC: Monterey Bay Unified Air Pollution Control District

FSLTR3; DG; JW

AYES: SUPERVISORS Beautz, Patton, Mehl, Keeley, Levy
NOES: SUPERVISORS None
ABSENT: SUPERVISORS None
ABSTAIN: SUPERVISORS None

R. M. Keely
Chairperson of the Board of Supervisors

ATTEST: Susan Brano
Clerk of the Board

APPROVED AS TO FORM:

Dee S.
County Counsel

DISTRIBUTION: County Counsel
Planning Department

STATE OF CALIFORNIA)
COUNTY OF SANTA CRUZ) ss
I, SUSAN A. MAURIELLO, County Administrative Officer and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California do hereby certify that the foregoing is a true and correct copy of a resolution passed and adopted by the Board of Supervisors of the said board, by me, the undersigned, on this 12th day of September, 1990, at my hand and seal of office.

SUSAN A. MAURIELLO, County Administrative Officer

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Resolution Exhibit A

REVISED HOUSING ALLOCATIONS FOR UNINCORPORATED SANTA CRUZ COUNTY
1/1/89 to 7/1/96

TOTAL CONSTRUCTION NEEDS

Household Increase 1/89- 7/96	Sales Vacancy Units	Rental Vacancy Units	Other Vacancy Units	Replacement Housing Units	Total New Units Required
6,286	75	141	377	423	7,302

CONSTRUCTION GOALS BY INCOME GROUPS

Total Units	Very Low Income	Low Income	Moderate Income	Above Moderate Income
7,302	2,090	1,266	1,319	2,627

COMPARISON OF HOUSING ALLOCATIONS

Santa Cruz County
1/1/89 to 7/1/96

	County-wide	Unincorporated
AMBAG Housing Allocation		
Dwelling Units	17,679	11,985
Growth Rate	2.39%	2.76%
Housing Growth Rate 1985 through 1989	1.33%	1.14%
Air Qual. Mgt. Plan Population Growth Rate 1/1/89 to 7/1/96	1.94%	2.16%
Proposed Revised Housing Allocation		
Dwelling Units	(11,549)*	7,302
Growth Rate	(1.60%)*	1.74%

* Although not proposed, these allocations represent the resulting changes to County-wide allocations if the same adjustments are incorporated on a County-wide basis.

PLANNING DEPARTMENT

GOVERNMENTAL CENTER



COUNTY OF SANTA CRUZ

701 OCEAN STREET SANTA CRUZ, CALIFORNIA 95060

Board of Supervisors Agenda 9-11-90

September 4, 1990

Board of Supervisors
Santa Cruz County
701 Ocean Street
Santa Cruz, CA 95060

BOARD OF SUPERVISORS
APPROVED

County of Santa Cruz

Date: Sept 11, 1990
By: [Signature]
Deputy Clerk of the Board

SUBJECT: Revisions to the Santa Cruz County Housing Allocations in the
AMBAG Regional Housing Needs Plan

Members of the Board,

On June 13, 1990, the Association of Monterey Bay Area Governments (AMBAG) adopted the Regional Housing Needs Plan which establishes the allocation of housing units to be constructed in each local jurisdiction during the seven and one half year period from 1989 through mid-1996. The plan's allocations for Santa Cruz County would require a growth rate which is more than twice that experienced by the County for the five years prior to 1989, and which would cause the County to exceed the growth forecasts on which the Regional Air Quality Management Plan is based. The County can request AMBAG to revise the adopted housing plan, and this action is recommended so that the County can maintain an option to utilize lower growth projections in the preparation of the County Housing Element, General Plan Update and growth management program.

REGIONAL HOUSING NEEDS PLAN

The allocations of the AMBAG Regional Housing Needs Plan for the whole County and the unincorporated area are summarized in Attachment 3. For the unincorporated area, the AMBAG plan calls for the construction of a total of 11,985 housing units over seven and one half years, which represents an annual average growth rate of 2.76%. This well exceeds the 1.14% average housing growth in the unincorporated area from 1984 through 1989, and the 2.16% average population growth accommodated by the Regional Air Quality Management Plan for the 1989-96 period.

The County is in the process of preparing the review and up date to the County Housing Element as required by July of 1991. The AMBAG allocations are important to the County because the Housing Element must be based upon the Regional Housing Needs Plan in order to be certified by the California Department of Housing and Community Development. This means that the County General Plan and the associated implementation programs including

FILED Sept 11, 1990
SUSAN A. MAUFFELLO, COUNTY
ADMINISTRATIVE OFFICER AND EX-OFFICIO
CLERK OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF SANTA CRUZ, CALIFORNIA

the growth management program must also be consistent with these housing allocations.

State legislation (see Attachment 4) allows the local jurisdictions to request changes to the housing allocation plan after adoption by AMBAG. The County has until September 13, 1990, to file such a request with AMBAG. If the County requests such a change in the allocation, the revised numbers can be used by the County in the preparation of the Housing Element, even if the revision is not approved by AMBAG. Ultimately, however, whether AMBAG adopts the amendment or not, the final allocations and the County's Housing Element based on those allocations will need to be approved by the State Department of Housing and Community Development.

HOUSING ALLOCATION

During the preparation of the regional plan, AMBAG requested the State to reduce the regional housing allocation based on two issues: housing growth related to employment out of the area, and the housing needed to compensate for loss of housing stock. By reducing the County's allocation based on AMBAG's evaluation of these impacts and requests to the State, the housing growth rate needed in the County could be reduced to a more realistic level and one which would be consistent with the Regional Air Quality Management Plan.

Employment Out of the Region: A significant portion of the Santa Cruz County work force is employed in the San Francisco Bay Area. The 1980 Census indicated that 18.6% of the County work force commuted to or through Santa Clara County via Highways 17, 9 and 152; and there is reason to believe that this proportion has increased in the last decade. The State allocation of housing to the Monterey Bay region is based in part on this regional commute population. By allocating housing shares to our region based on population employed in another region, the State is compounding an undesirable situation which creates pressure on local housing supply and prices, and increases regional traffic congestion and air pollution.

An AMBAG request to the State in January of 1990 to reduce the regional allocation based on the commute population was denied. AMBAG calculated that the regional allocation to Santa Cruz County should be reduced by 5,085 dwelling units based on this consideration. Based on the commute patterns documented in the 1980 Census, this would result in a reduction of 3,793 units in the unincorporated area. It would be appropriate to once again request a reduction in the County's allocation of housing by this amount consistent with the previous AMBAG requests.

Replacement Housing: The State housing allocation to the region includes an allocation for replacement housing based on a 0.2% per year loss of housing stock due to demolitions, conversions and relocations. AMBAG has documented a demolition rate of housing of under 0.1% for both the unincorporated portion of Santa Cruz County and County-wide. An AMBAG request to the State in October of 1989 to recognize a lower replacement rate based on the actual demolition rates and a trend towards greater conservation of housing units, was denied. Based on an average demolition

rate of .076% experienced in the unincorporated area, it would be appropriate to request a 0.1% replacement rate to be utilized in the housing allocations. This replacement rate is in addition to the replacement of earthquake damaged housing.

Based on the above changes proposed in the allocation of housing for the unincorporated area, staff has developed a revised housing allocation as shown in Attachment 2. This revised allocation would require an average growth rate of 1.74% in the unincorporated area, which is closer to the recent housing development rate and would be consistent with the Regional Air Quality Management Plan. Attachment 2 provides a detailed allocation of the housing by income groups, based on the proportional distribution utilized by AMBAG.

CONCLUSION

A reduced allocation of housing for the unincorporated area of Santa Cruz County can be justified based on considerations of regional commute population and rates of housing stock loss. By adjusting the County's housing allocation for these factors, a potential growth rate for the County can be projected which is closer to the recent historic rate and which is compatible with the Regional Air Quality Management Plan. A request to AMBAG to amend the Regional Housing Needs Plan will preserve the County's option to utilize such reduced growth rates in preparation of the Housing Element, the General Plan and the growth management program, even if the changes are not approved by AMBAG.

RECOMMENDATION

It is therefore RECOMMENDED that your Board adopt the attached resolution (Attachment 1) requesting AMBAG approval of the revisions to the Regional Housing Needs Plan as provided in Attachment 2.

Sincerely,



Dianne Guzman,
Assistant County Administrative Officer/Planning Director

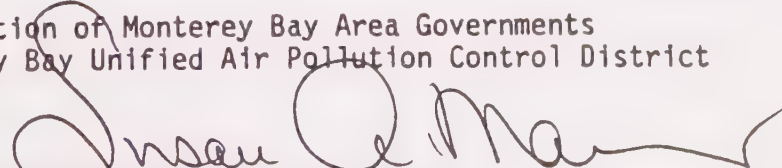
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Attachments:

1. Resolution Requesting AMBAG Approval of Amendments to the Regional Housing Needs Plan
2. Revised Housing Allocations for Unincorporated Santa Cruz County
3. Comparison of Housing Allocations
4. Government Code Section 65584

cc: Association of Monterey Bay Area Governments
Monterey Bay Unified Air Pollution Control District

RECOMMENDED



Susan A. Mauriello,
County Administrative Officer

ATTACHMENT 3

REVISED HOUSING ALLOCATION CALCULATIONS
SANTA CRUZ COUNTY UNINCORPORATED AREA

TOTAL HOUSING ALLOCATION

1989 Housing Units - unincorporated area	52,917	
1/89 - 6/96 AMBAG Household Allocation		10,079
New County Households Formed by Out-of-Area Commuters	5,085	
Percent of Commute Households in Unincorporated Area	74.6%	
Commute Households in Unincorporated Area	3,793	
Revised Household Allocation		<u>6,286</u>
Units for Sales Vacancy of 2% (60% sales units)	75	
Units for Rental Vacancy of 5.6% (40% rental units)	141	
Other Vacancy of 6% of Total Units	377	
Total Housing Growth		<u>6,879</u>
Replacement Housing Units at 0.1% per Year ((52,917 + 6,879/2) x .001 x 7.5)	423	
7 1/2 Year Housing Production Goal		<u>7,302</u>

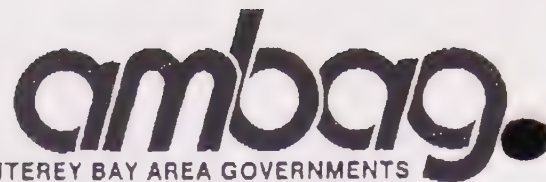
HOUSING ALLOCATION BY INCOME

Income Level	% Based on Adopted Plan	Housing Units
Very Low	28.6%	2,090
Low	17.3	1,266
Moderate	18.1	1,319
Above Moderate	36.0	2,627
Total	100.0%	<u>7,302</u>

1980 Population, with commute percent/number to Bay Area

City/ Area	Census Tract	1980 Pop.	Commute Percent	Commute Pop.
CAPITOLA	1216	290	14.06	41
	1217	3,710	10.45	388
	1218	5,072	12.08	613
	1219	6	9.04	1
	1221	17	7.14	1
city total:		9,095	11.47	1,043
SANTA CRUZ	1001	1,942	11.44	222
	1002	4,887	9.89	483
	1003	1,995	12.21	244
	1005	3,555	21.54	766
	1006	2,782	23.53	655
	1007	1,352	0.00	0
	1008	4,988	9.20	459
	1009	3,496	9.10	318
	1010	5,075	10.26	521
	1011	4,794	13.52	648
	1012	2,721	5.53	150
	1013	160	13.76	22
	1208	92	17.30	16
	1212	600	26.03	156
	1213	3	12.58	0
	1215	46	6.64	3
city total:		38,488	12.12	4,663
UCSC	1004	2,995	7.85	235
city w/UC:		41,483	11.81	4,898
SCOTTS VALLEY	1207	0	30.23	0
	1208	1,709	17.30	296
	1209	3,520	27.28	960
	1212	1,662	26.03	433
city total:		6,891	24.50	1,689
WATSONVILLE	1101	3,682	1.79	66
	1102	4,285	0.00	0
	1103	4,431	0.87	39
	1104	2,735	0.00	0
	1105	5,320	0.70	37
	1106	3,027	3.73	113
	1107	57	1.09	1
	1223	6	9.37	1
city total:		23,543	1.09	256
UNINCORPORATED AREAS OF THE COUNTY:				
Watsonville (Sphere)	1101	124	1.79	2
	1102	163	0.00	0
	1104	23	0.00	0
	1105	1,725	0.70	12
	1106	2,167	3.73	81
	1107	2,524	1.09	28
	1223	0	9.37	0

	1225	1,234	3.64	45
Watsonville	1101	0	1.79	0
(remainder)	1102	0	0.00	0
	1225	2,031	3.64	74
other	1001	78	11.44	9
unincorporated	1004	68	7.85	5
	1005	69	21.54	15
	1012	151	5.53	8
	1013	543	13.76	75
	1201	650	24.74	161
	1202	2,296	32.15	738
	1203	4,825	32.48	1,567
	1204	7,696	47.23	3,635
	1205	2,162	89.39	1,933
	1206	4,357	35.67	1,554
	1207	4,595	30.23	1,389
	1208	2,961	17.30	512
	1209	1,333	27.28	364
	1210	3,135	92.35	2,895
	1211	1,680	45.77	769
	1212	2,467	26.03	642
	1213	2,889	12.58	363
	1214	6,630	8.01	531
	1215	4,502	6.64	299
	1216	4,947	14.06	696
	1217	2,057	10.45	215
	1218	6,212	12.08	750
	1220	6,707	16.50	1,107
	1221	2,498	7.14	178
	1222	7,067	22.99	1,625
	1223	3,606	9.37	338
	1224	6,149	6.08	374
	1225	4,808	3.64	175
uninc. total:		107,129	21.62	23,163
COUNTYWIDE:		188,141	16.50	31,049
% Unincorporated areas:				
of total population		56.94		
of commuters		74.60		



ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

MAIL ADDRESS P O BOX 190, MONTEREY CALIFORNIA 93942 • TELEPHONE (408) 373-6116
OFFICE LOCATION: 977 PACIFIC STREET**MEMORANDUM**

TO: Board of Directors
FROM: Staff
DATE: November 14, 1990

SUBJECT: Action on Self-Revisions of Adopted Regional Housing Needs Plan

On June 13, 1990 the Board of Directors adopted the Regional Housing Needs Plan. Following adoption by the Board of Directors the jurisdictions of the region have a 90 day period in which they may self-revise the housing allocations assigned them. According to state law, the self-revision must be in writing and must include all documentation supporting the self-revision. Within 60 days following the end of the 90 day self-revision period the AMBAG Board must act to either accept or not accept each of the self-revisions. If the Board chooses to accept a self-revision, the Regional Housing Needs Plan is amended to reflect that need and the jurisdiction then uses that revised housing allocation in the preparation of it's housing element. If the Board does not accept a self-revision, it is not incorporated into the Regional Housing Needs Plan. However, the jurisdiction must still use the self-revised housing allocation in it's housing element. Based on the supporting documentation, the California Department of Housing and Community Development decides if the self-revised housing allocation represents the jurisdictions share of the statewide housing need. If HCD accepts the self-revision, the revised allocation is used by the jurisdiction for housing needs planning. If HCD does not accept the self-revision, the jurisdiction must use the original allocation adopted by the AMBAG Board of Directors.

AMBAG Review of Local Self-Revisions

As described above, the AMBAG Board has two options with regard to each of the seven self-revisions: either accept or not accept the self-revision. Two tests are laid out in state law which are used to determine if the self-revision is acceptable. First, the self-revision must be consistent with the region's share of the statewide housing need. In affect, the regional housing need as determined by the state serves as a minimum, below which the Regional Housing Needs Plan will not go. If the self-revision is consistent with the regional housing need

it must also be judged to be based on accepted planning methodology. Seven factors are laid out in state law which constitute accepted planning methodology. These are: market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, and the housing needs of farm workers. If the AMBAG Board finds that both these conditions are met then the board can accept the self-revision.

Department of Housing and Community Development Review of Adopted Regional Housing Needs Plan

Following adoption of the Regional Housing Needs Plan the Department of Housing and Community Development reviews the plan for consistency with state law. The main focus of this review is to assure that the regional housing need in the plan is consistent with the department's determination of the region's share of the statewide housing need. If the regional housing need in the plan is not consistent with the statewide housing need the department is empowered by state law to revise the regional housing need in the plan to achieve consistency with the statewide need. Both the law and state guidelines are rather vague on the likely result of regional housing needs plan which plans for less than the region's share of the statewide housing need. State guidelines seem to suggest that the department would return the plan to the COG with a letter requesting that the COG revise the regional need to bring it into conformance with the statewide need and carry out a new 90 day local revision period. Conversations with staff from other COG's statewide indicate that none have every submitted a regional housing need determination less than the state's determination.

Analysis of Local Revisions

Seven jurisdictions submitted local revisions during the 90 day time period allowed under state law. The attached table provides an analysis of the affect of each local self-revision on the regional housing need. Overall, the affect of the self-revisions would be to decrease the housing units to be planned for by the region by 8,148. This decrease would leave the region at approximately 79 percent of the region's share of the statewide housing need. The following describes each of the local revisions and summerizes the justification provided for the self-revision.

Carmel-by-the-Sea

The self-revision for the City of Carmel-by-the-Sea would make two changes to the city's allocation. The original allocation assigned responsibility for area within the city's sphere of influence to the city. This would be changed with the

self-revision and the city would only have responsibility for the area in the city limits. This would move the allocation of 183 units to Monterey County which result in a decrease in the city's housing allocation to 278 units. In addition, the self-revision would decrease the city's share of the region's housing need to 248 units, which corresponds to the number of new which could be built under existing zoning. The decrease due to the shift from Carmel to Monterey County would not impact the regional housing allocation. However, staff believes that due to it's impact on the county it should receive the concurrence of Monterey County. The decrease from 278 units to 248 would impact the regional housing need and so would be inconsistent with state law.

Gonzales

The self-revision by the City of Gonzales is an increase of 19 units in the moderate income category and 81 units in the above moderate income category. This increase was justified by the city because of market demand. Since this is an increase it will not put the region out of consistency with the statewide housing need. In addition, market demand for housing is one of the seven justifications described in state law. On that basis staff believes this revision to be acceptable. However, if the board should choose not to accept this revision, Gonzales can plan for the additional units. State law specifies that a jurisdiction can plan for more than it's share of the regional need.

Marina

The self-revision for the City of Marina results in a decrease of 239 very low income units, 168 low income, 157 moderate income and 429 above moderate income units. These units were originally planned to be built in the Armstrong ranch in the Marina sphere of influence. Plans for this project called for the project to be underway in the early 1990's with a significant number of units completed by the end of the planning period, July 1, 1996. However, lack of available services, in this case water, has slowed the project to the point were it is not expected to begin prior to 1995. The decrease of 993 units in the city's self-revision would put the regional housing need well below the statewide need and so is inconsistent with state law.

Santa Cruz

The self-revision for the City of Santa Cruz would reduce the city's allocation by 455 units, all in the above moderate income category. The city justifies this self-revision on the basis of a land use inventory which does not show enough suitable sites to construct all the city's allocation in the above moderate income category. However, this decrease of 455 units would put the region's housing goals well below the region's share of the statewide housing need and so is

inconsistent with state law.

Scotts Valley

The self-revision for the City of Scotts Valley would reduce the city's allocation by 468 units, to a total goal of 1,039 new units. This self-revision is based on a lack of suitable sites for new housing in the city and a lack of available sewer, water and storm drain facilities. This decrease of 468 units would put the region's housing goals well below the region's share of the statewide housing need and so is inconsistent with state law.

Monterey County

The self-revision for the County of Monterey Unincorporated area would decrease the jurisdictions allocation by 1,621 units. The change would actually be much more significant though because the self-revision would result in a decrease of 954 in the very low income group, 746 in the low income group and 531 in the moderate income group. These decreases would be partially offset by an increase of 610 in the above moderate income group. State law is very specific that the region must plan for the housing needs of all income groups. As a result, the region must be consistent with the statewide housing need by income group. This self-revision would put the region out of consistency with the statewide housing need and so is not acceptable.

Santa Cruz County

Santa Cruz County's self-revision for the unincorporated area would decrease the number of units planned for by 4,681. The county's correspondence states two justifications for this decrease. First, commuting patterns for Santa Cruz County show that a very large number of households have at least one worker commuting to the San Francisco Bay Area. Santa Cruz County argues that these households are realistically part of the Bay areas regional housing need which has chosen to live in Santa Cruz County due to inadequate housing supply. The county also argues that the replacement rate of 0.2 percent per year required by the state is unreasonably high and suggests that the actual replacement rate experienced by Santa Cruz County is actually lower. Acceptance of this self-revision would put the region out of consistency with the statewide housing need and so is not acceptable.

Possible Board Actions

Overall, staff believes that the self-revisions proposed are adequately justified by the seven criteria listed in state law. However, with the exception of Gonzales, each self-revision would decrease the regional housing need to the point at

which it would no longer be consistent with the statewide housing need. Given this situation staff has identified three possible courses of action open to the Board of Directors.

1. The Board of Directors could accept all seven self-revisions. This would create a small excess of units due to the increase for Gonzales and the increase allowed the City of Soledad when action was taken in June. This increase could be used to off-set some of the decrease resulting from the self-revisions of the other six jurisdictions. The remaining units (approximately 8,000) would then be reallocated to other jurisdictions in the region to keep the region overall in compliance with the statewide housing need.

2. The Board of Directors could accept all seven self-revisions and submit a plan to the state which is 8,331 units below the region's assigned share of the statewide housing need. Since this has not been done before by any COG there is no guessing how the Department of Housing and Community Development will react. It seems most likely that they will return the plan to AMBAG and ask that it be brought back into consistency with the statewide housing need. Since AMBAG had previously accepted the self-revisions of the seven jurisdictions it would then have to reallocate the remaining 8,000 units to the other jurisdictions of the region as under option number 1. This approach would have the additional disadvantage of creating a six month delay in the housing element preparation cycles of all jurisdictions in the region.

3. The Board of Directors could accept all seven self-revisions contingent on state acceptance of the revised plan. In this case the jurisdictions would agree that if the state did not accept the revised plan AMBAG would then return to the June 13 plan which has been previously approved by the state. This approach would have the advantage of allowing the state an opportunity to accept the revised plan, while minimizing the impact of possible rejection of that plan on the other jurisdictions.

4. The Board of Directors could choose to remain consistent with state law. To remain consistent, the Board would only accept the Gonzales self-revision. The self-revisions of Carmel, Marina, Santa Cruz, Scotts Valley, Monterey County and Santa Cruz County would not be accepted because they would put the regions housing goals significantly below the share of the statewide housing need assigned the region. Staff believes that this option is the only one which is fully consistent with all the provisions of state law.

5. Staff recommends that the Board direct staff to work with Carmel and Monterey County on the return of responsibility for the housing need in the sphere of influence to the county. If agreement is reached between the city and the county the change should be incorporated into the final Regional Housing Needs Plan prior to submittal to the state.

Staff Recommendation:

Staff recommends the Board of Directors accept the self-revision by Gonzales and not accept the self-revisions by Carmel, Marina, Santa Cruz, Scotts Valley, Monterey County and Santa Cruz County for the reasons described above. Staff also recommends that the Board direct staff to investigate return of Carmel's sphere of influence to Monterey County responsibility as described under #5 above.

MINUTES OF THE PROCEEDINGS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

The Board of Directors of the Association of Monterey Bay Area Governments meeting, President John Laird presiding, convened at 7:00 pm on November 14, 1990 at the City of Salinas, Salinas City Hall.

ROLL CALL

Carmel	Wright
Del Rey Oaks	Russell
Gonzales	Wolgamott
Greenfield	Morris
Marina	Takali
Monterey	Vreeland
Pacific Grove	Nunn
Salinas	Collins
Sand City	Pendergrass

PRESENT

Santa Cruz	Laird
Seaside	McClair
Soledad	Ledesma
Watsonville	Eves
Monterey County	Strasser Kauffman
Monterey County	Shipnuck
Santa Cruz County	Keeley
Santa Cruz County	Mehl

ABSENT

King City	Dye	Scotts Valley	Caffrey
Fort Ord	Col. Ludwig		

Staff Present: Nicolas Papadakis, Darlene O'Connor, Max Puckett, Steve Williams, Elisa Arias, Wendy Murphy, Jim Gittleson, Jim Duffy, Greg Koert.

Others: Joel Moses, City of Soledad; Patty Bradshaw, City of Marina; Frank Brunnings, County of Monterey; Diane Raines, Air Resources Board; Janet Brennen, MBUAPCD; Supervisor Tom Perkins, County of Monterey; Jerry Laumer, Caltrans District 5; Mike and Gloria McClintock, McClintock, Becker & Associates.

President Laird recognized Directors Morris, Vreeland, Nunn, McClair, Wolgamott and Alternate Director Perkins won in their elections.

CONSENT AGENDA

Minutes of Previous Meeting

Minutes of the October 10, 1990 Board Meeting were enclosed.

Regional Clearinghouse Items for November

A listing for Clearinghouse items for the month of November was enclosed.

Clearinghouse Comments from September and October

Late comments on MCH #099008-Draft EIR for the Franich Annexation; #109012-Negative Declaration for the Widening of Mission Street, Santa Cruz were enclosed.

Log of Significant Meetings for Month of October

Enclosed was a log of staff meetings during the month of October.

Contract to Update Del Rey Oaks Housing Element

A staff report describing the proposed contract for the Del Rey Oaks Housing Element was enclosed.

Airport Economic Study/Progress Report

A progress report on the Airport Economic Study to review the consultant selection progress was enclosed.

Regional Transportation Model Progress Report

A staff report summarizing the progress on the Regional Transportation Model was enclosed.

FTIP Amendment

An amendment to include the Monterey Rides Program was enclosed.

Lower Salinas River Near Coastal Waters Initiative Project

A staff report which presented a status report on the EPA-funded Lower Salinas River Near Coastal Waters Initiative Project was enclosed.

Motion was made by Director Keeley and seconded by Director Strasser Kauffman to approve the consent agenda with an amendment to #3F requesting when the consultant draft contract comes to the Board that the contract be accompanied by a list of the members of the Technical Advisory Committee and the scope of work. Motion carried.

Director Takali commended staff member Wendy Murphy for representing him at the Monterey Peninsula Airport Master Plan Technical Advisory Committee meeting on short notice.

TRANSPORTATION AND AIR QUALITY

Transportation Control Measures Plan

AMBAG staff member Greg Koert gave a presentation on the Transportation Control Measures Plan. The presentation gave an overview of the California Clean Air Act Requirements, which is the basis of the Transportation Control Measures Plan. An overview of all reasonable and available measures being employed to reach the 2 ton per day of reduction goal adopted by the Board of Directors of the Monterey Bay Unified Air Pollution Control District was given along with an outline of AMBAG's responsibilities and the ten proposed reduction measures of Reactive Organic Gases (ROG). Director Vreeland mentioned that schools could contribute to emissions reductions if parents were not to drop off their kids but have the kids ride the bus to and from school. Director Shipnuck brought up the issue of the possibility of raising the driving age from 16 to a higher age and requested that an estimate be prepared for the December 12th Board meeting. Janet Brennen, Monterey Bay Unified Air Pollution Control District, answered questions with regards to the Inspection and Maintenance Program. The objective of the plan is to achieve the state standard for ozone. Discussion followed by the Board members.

No action required.

Regional Airport Systems Plan Update Report (RASP)

Michael McClintock of McClintock, Becker and Associates presented an overview and status report of the RASP and the timeline for completion. Locations and size of airports throughout the AMBAG Region were described and compared to the previous RASP. The draft final RASP plan should be out in February 1991. Director Takali had a major concern of the expansion of Fritsche Army Airfield. Discussion followed by the Board members.

No action required.

WATER QUALITY

Request for Monterey Bay Regional Workshop on Water Resources Issues

President Laird recommended that this item be deferred to the December 12, 1990 Board of Directors meeting.

PLANNING

Regional Housing Needs Plan Update

A staff report describing the self-revisions as well as options the Board may pursue under state law was discussed. The Board is either to accept or not accept each of the self-revisions. Based on the Board's actions on each of the self-revisions the plan is updated and is resubmitted to the State Department of Housing and Community

Development for their final review, which then becomes the Regional Housing needs plan for the region. Acceptance of the self-revisions by Carmel, Gonzales, Marina, Santa Cruz, Scotts Valley, Monterey County and Santa Cruz County decreases the region's share of the statewide housing need by 8,148 units. Staff outlined five courses of action that the Board could consider. Staff recommendation is for the Board to accept the self-revision by Gonzales and not accept the self-revisions by Carmel, Marina, Santa Cruz, Scotts Valley, Monterey County and Santa Cruz County for the reasons that each self-revision would decrease the regional housing need to the point which it would no longer be consistent with the statewide housing need. Staff also recommended that the Board direct staff to investigate return of Carmel's sphere of influence to Monterey County. Discussion followed by Board members.

Director Strasser Kauffman recommended that the Board accept recommendation #5, that staff work with Carmel and Monterey County on the return of responsibility for the housing need in the sphere of influence to the county.

Motion was made by Director Keeley and seconded by Director Mehl to adopt recommendation #3, that the Board accept all seven self-revisions contingent on state acceptance of the revised plan by the state, with additional direction that a task force be sanctioned by the Board of Directors consisting of the jurisdictions that are seeking self-revision and the assistance of AMBAG staff and staff of the individual jurisdictions seeking self-revision, to advocate to the Department of Housing and Community Development for the changes described in recommendation #3 and include the recommendations in #5, that staff work with Carmel and Monterey County on the return of responsibility for housing need in the sphere of influence to the county.

Director Shipnuck made an amendment that the jurisdictions agree that if the state does not accept the revised plan, AMBAG would return to the June 13, 1990 plan as amended by the cities of Gonzales and Carmel. Motion passed.

Motion was made by Director Vreeland and seconded by Director Takall for Director Keeley to head the Indemnification Task Force for the Housing Needs Plan. Motion passed.

ADMINISTRATION

Status Report on the Nonprofit Corporation

Staff responded to the questions raised by the Board at the October meeting on paragraph 3.06 of the Bylaws. Staff consulted with the legal counsel and paragraph 3.06 is required in Bylaws of this nature. The second action requested by the Board was that we send the proposed Bylaws to all of our member jurisdictions. Comments received were included in the Supplemental Agenda.

Motion made by Director Vreeland and seconded by Director Keeley to approve the Bylaws for the Nonprofit Corporation. Motion carried.

Board of Directors Agenda Format

Staff submitted a memorandum outlining the costs associated with the changing of the Agenda packet. Director Vreeland suggested that the pages be numbered for the Board to easily referred to. Discussion followed by Board members.

Motion made by Director Nunn and seconded by Director Keeley to approve the change of the Board agenda packet and numbering the pages. Motion carried.

FY1990/91 Overall Work Program Amendment No. 2

A staff memorandum was enclosed outlining the changes in the Overall Work Program. Staff recommended approval for submission to the approving agencies.

Motion made by Director Strasser Kauffman and seconded by Director Keeley to approve Amendment No. 2 for the Overall Work Program. Motion carried.

FY1990/91 Budget Amendment No. 2

A staff memorandum was enclosed outlining the decrease in the budget, changes reflecting the cancellation of Economic Development projects and the addition of local match funds. Staff recommended approval.

Motion made by Director Strasser Kauffman and seconded by Director Wolgamott to approve Amendment No. 2 for the budget changes.

Appointment of Nominating Committee

President John Laird appointed a Nominating Committee who will present to the Board at the December meeting a slate of officers for 1991; Director Strasser Kauffman, Director Vreeland, Director Ledesma, and Director Eves were appointed to the committee.

CORRESPONDENCE

Director Vreeland complimented staff member Max Puckett for the work he provided for the Shores Workshop on November 13 and 14, 1990.

PRESENTATION

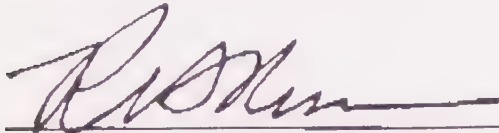
A Resolution of Appreciation was presented to Director Sherry Mehl for her service on the AMBAG Board of Directors.

Motion made by Director Strasser Kauffman and seconded by Director Keeley recognizing her services to the AMBAG Board of Directors.

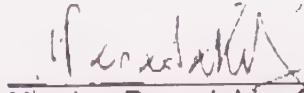
A plaque and a Resolution of Appreciation were presented to John Laird commemorating his service as President of the AMBAG Board of Directors during 1990.

Motion made by Director Nunn and seconded by Director Strasser Kauffman commemorating John Laird for his services as the AMBAG Board of Directors President.

Meeting was adjourned at 9:00 p.m.



Budd Nunn, First Vice President



Nicolas Papadakis, Secretary

12/12/90

Date

Appendix #8:
Letters from Developers of Affordable
Housing Projects



SANTA CRUZ
COMMUNITY HOUSING CORPORATION

October 18, 1991

Jeff Loux, Assistant Planning Director
Santa Cruz County Office Building
701 Ocean St.
Santa Cruz, CA 95060

Dear Mr. Loux,

I just wanted to express our appreciation for the timely fashion and general professionalism with which your department as handled our Lagoon Beach affordable housing project in both the land use review process and the permitting. I have dealt with many local, state and federal agencies during the course of my work, and this is one of the few such experiences that I have felt positive about. It's not often one finds public officials who will bend over backward to help an affordable housing project.

Without your assistance in expediting our requests, your patience in handling our uninformed questions about the planning process and the Redevelopment Agency's generous committals of funding, we would have made scarcely any progress on this or our other county progress this year.

Thank you again.

Sincerely yours,

Wallace Roberts
Project Manager

Appendix #8: Letters from Developers of Affordable Housing Projects

MID-PENINSULA HOUSING COALITION

430 Sherman Avenue
Suite 203
Palo Alto, California 94306
Telephone (415) 688-8300

October 17, 1991

Dianne Guzman
Planning Director
Santa Cruz County
Governmental Center
701 Ocean Street
Santa Cruz, CA 95060

Re: Master Plan Including Affordable Housing at The Farm

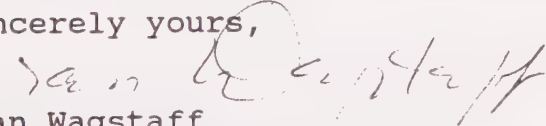
Dear Mr. Loux:

I am writing to commend the Santa Cruz Planning Department on the most cooperative and expeditious manner in which the Master Plan for The Farm has been handled. As you know, Mid-Peninsula is building 39 units of affordable family housing along with a childcare center as part of this Master Plan. This plan involves relatively complex legal and planning issues in comparison to most other developments Mid-Peninsula has done.

From the time we began working with the Redevelopment Agency to put the Master Plan together, we have worked side by side with the Planning Department to be sure that very difficult deadlines were met. Everyone was extremely helpful in meeting these tight schedules, which were driven by Mid-Peninsula's need to obtain low income housing tax credits to make the affordable housing development financially feasible.

We greatly appreciate the efforts made by the Planning Department so far, and the continuing efforts as we are working on the Final Map. We were very concerned at the outset that the tight timetable we laid out would be impossible to meet. Tax credits are a necessary component of affordable housing financing right now, and therefore it was critical for us to work quickly. As a result of everyone's efforts, we did receive a tax credit allocation of over \$3 million. Since there may not be tax credits after December 31st, we are especially appreciative of the Planning Department's fast-tracking this project.

Sincerely yours,


Fran Wagstaff
Executive Director
cc: Jeff Loux

STEPPING OUT HOUSING, INC.

298 Harvey West Blvd.
Santa Cruz, CA 95060
(408) 425-1830 FAX: (408) 425-1905

Diane Guzman
Director
Planning Department
County of Santa Cruz
701 Ocean Street
Room 420
Santa Cruz, California 95060

October 18, 1991

Dear Diane:

On behalf of Stepping Out Housing and the 20 low income residents who will reside their in Spring of 1992, I want to thank you and your staff for their availability and professionalism in helping our project happen. Your staff has done an excellent job in keeping us informed and responding to our inquiries throughout the planning and building permit phases. Keep up the good work.

Sincerely,



Adeline Davis
Project Development
Manager

cc: Jeff Loux

CFSC, Inc.

298 Harvey West Blvd.
Santa Cruz, CA 95060

(408) 425-1830
Fax (408) 425-1905

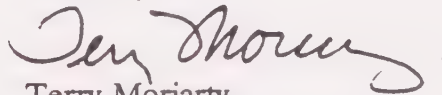
Diane Guzman
Director
Planning Department
County of Santa Cruz
701 Ocean Street
Room 420
Santa Cruz, California 95060

October 18, 1991

Dear Diane:

I want to take this opportunity to thank you and your staff for your active support of affordable housing. Your Department has done a great job in helping ourselves and other affordable housing developers make their project realities. Your staff's availability and willingness to explain the most basic details of policy and procedure are of particular help. Thanks, we could not have developed our projects without your support.

Sincerely,



Terry Moriarty
Executive Director

cc: Jeff Loux

Appendix #9:
Resources Available to Homeless Persons

EMERGENCY SHELTER PROGRAMS

PAJARO RESCUE MISSION
111 RAILROAD AVENUE
WATSONVILLE, CA 95076
724-9576

Anyone on duty

Must be at the mission by 7:00 P.M.; Clients will receive food, shower and bed for the night.

THERE WILL ALWAYS BE AN OPENING UNLESS OTHERWISE NOTIFIED. MEN ONLY; Will receive emergency first-timers after hours.

RIVER STREET SHELTER
733 RIVER STREET
SANTA CRUZ, CA 95060
425-3437

Staff on duty

4 - 6 P.M.

30 bed shelter for single adults over age 18; open for residents from 5:00 P.M. to 8:00 A.M.

CALL FOR INTAKE BETWEEN 4:00 - 6:00 P.M. Addictions and job search counseling services available. 15 beds allocated for mentally ill homeless.

NEW LIFE CENTER
FORMERLY, FIRST STEP SHELTER
640 Rodriguez St.

Watsonville, CA 95076

722-6114

7 days a week

Serves families with children and single adults, call first. Counseling and case management offered in the following areas; Substance abuse, weekly A.A., C.A. and group counseling in many areas available. Will do intake up until 9:00 P.M. if beds are available.

PAJARO VALLEY SHELTER
115 BRENNAN STREET
WATSONVILLE, CA 95076
761-5935 & 728-5649
24 HOURS A DAY, 7 DAYS A WEEK
Serves homeless women and children only.

WOMAN'S CRISIS SUPPORT
SANTA CRUZ, CA 95060
OFFICE # 425-5525 M - F, 9 - 5
CRISIS # 429-1478 24 HOURS A DAY

SHELTER ADDRESS IS CONFIDENTIAL; Caller must first have conversation with on-call crisis volunteer; if appropriate volunteer will have a shelter advocate call woman back right away. Not a long time shelter, crisis situations only - a women who is in danger because her partner's violence is driving her to flee home; On-call volunteer worker is not at shelter, so probably isn't sure if shelter is full or not.

MOTEL VOUCHER PROGRAM (HOME)
323 SPRECKLES DR, #A
APTOS, CA 95003
662-3616 & 685-1325
M - F, 12 - 5

Vouchers for adults whose health is at risk, or families with children. Will provide one week in

a motel.

CATHOLIC CHARITIES
21 BRENNAN STREET, #8
WATSONVILLE, CA 95076
722-2675
M - F, 8 - 12

General Assistance - Bilingual Services. Emergency rent assistance; Immigration Services counselling; Advocacy / Referral Serv; Misc Asst based on need. Home visit follow-up as needed.

SALVATION ARMY
426-3922 or 724-3922

ST. FRANCIS CATHOLIC SHELTER
205 MORA STREET
SANTA CRUZ, CA 95060
425-9225

FINANCIAL ASSISTANCE

VALLEY RESOURCE CENTER
PHONE: 336-2553

VETERANS SERVICES DEPARTMENT; VETERANS BENEFITS
PHONE: 425-2387 or 761-4064

EMPLOYMENT AND TRAINING

HUMAN RESOURCES AGENCY (JTPA); EMPLOYMENT AND TRAINING PROGRAM
PHONE: 425-2280 or 761-4018

PROJECT HOPE, INC.
PHONE: 426-1428 or 728-4505

STATE EMPLOYMENT DEVELOPMENT DEPARTMENT; EMPLOYMENT SERVICES
PHONE: 462-2300 or 724-7545

STATE DEPARTMENT OF REHABILITATION; VOCATIONAL REHABILITATION SERVICES
PHONE: 426-4077 or 722-4188

VETERANS SERVICE DEPARTMENT; VETERANS EMPLOYMENT & TRAINING SERVICES
PHONE: 425-2633

MEDICAL & DENTAL ASSISTANCE

FAMILY PLANNING SERVICES; HEALTH SERVICES AGENCY
PHONE: 425-2661 or 761-4032

HEALTH CENTER (SANTA CRUZ); HEALTH SERVICES AGENCY
PHONE: 425-2551

HOMELESS PERSONS HEALTH PROJECT (HPHP); HEALTH SERVICES AGENCY
PHONE: 425-3480 or 688-1532

HEALTH SERVICES AGENCY; HEALTH CENTER (WATSONVILLE)
PHONE: 761-4030

HEALTH SERVICES AGENCY; MEDI-CRUZ PROGRAM
PHONE: 425-2011

HEALTH SERVICES AGENCY; PRENATAL SERVICES
PHONE: 425-2551 or 761-4030

HUMAN RESOURCES AGENCY; MEDI-CAL PROGRAM
PHONE: 425-2521 or 761-4014

PLANNED PARENTHOOD
PHONE: 425-1551 or 724-7525

SALUDE PARA LA GENTE; MEDICAL CLINIC
PHONE: 728-0222

SANTA CRUZ WESTSIDE COMMUNITY HEALTH CENTER
PHONE: 425-5028

SANTA CRUZ WOMANS HEALTH CENTER
PHONE: 427-3500

CALIFORNIA HEALTH ASSOCIATES, INC.; METHADONE DETOXIFICATION; MAINTENANCE PROGRAMS
PHONE: 425-0112

FENIX SERVICES, INC.; ALCOHOLISM COUNSELING
PHONE: 722-4211

FENIX SERVICES, INC.; HERMANAS RESIDENTIAL ALCOHOLISM TREATMENT PROGRAM
PHONE: 722-2471

HOMELESS PERSONS HEALTH PROJECT; HEALTH SERVICES AGENCY
PHONE: 425-3480 or 688-1532

JANUS ALCOHOLISM SERVICES; DETOXIFICATION
PHONE: 462-1060 or 462-1770 (AFTER 10PM)

JANUS ALCOHOLISM SERVICES; OUTPATIENT COUNSELING
PHONE: 462-1060

JANUS ALCOHOLISM SERVICES; RESIDENTIAL TREATMENT PROGRAM
PHONE: 462-1060

NARCOTICS ANONYMOUS
PHONE: 662-4664

SANTA CRUZ COMMUNITY counseling CENTER; ALTO counseling CENTER
PHONE: 423-2003 or 728-2233

SANTA CRUZ COMMUNITY COUNSELING CENTER; SAN LORENZO VALLEY YOUTH CENTER; VALLEY
RESOURCE CENTER

PHONE: 338-2945 or 338-9935

CRISIS INTERVENTION AND PSYCHIATRIC EMERGENCY CARE

SANTA CRUZ COMMUNITY COUNSELING CENTER; SUNFLOWER HOUSE

PHONE: 423-3890

SANTA CRUZ COMMUNITY COUNSELING CENTER; SUNFLOWER HOUSE

PHONE: 688-7993

WOMAN'S CRISIS SUPPORT AND SHELTER SERVICES

PHONE: 425-5525 or 722-5991

CRISIS: 429-1478 or 728-2295

HEALTH SERVICES AGENCY; MENTAL HEALTH CRISIS INTERVENTION; NORTH COUNTY MENTAL
HEALTH

PHONE: 425-2237

HEALTH SERVICES AGENCY; MENTAL HEALTH CRISIS INTERVENTION; SOUTH COUNTY MENTAL
HEALTH

PHONE: 761-4000

HEALTH SERVICES AGENCY; PSYCHIATRIC EMERGENCY SERVICES

PHONE: 425-2237 or 722-3577

SANTA CRUZ COMMUNITY COUNSELING CENTER; YOUTH SERVICES

PHONE: 425-0771 or 728-2226

SUICIDE PREVENTION SERVICE OF SANTA CRUZ COUNTY, SUICIDE CRISIS LINE

PHONE: 458-5300 or 688-1818 (24 hour response)

WOMAN AGAINST RAPE-CRISIS HOTLINE

PHONE: 426-7273 or 728-2295

Appendix #10:
Additional Analysis of Governmental Constraints

Analysis of Potential Governmental Constraints

Pages 81-90 of the Draft Element identify and analyze potential governmental constraints to maintenance, improvement and development of housing. The following sections are designed to clarify, amplify and provide additional information in addressing the issue of government policy constraints.

Measure J - Growth Management Program

As page 84 indicates, there is no evidence that the annual population growth goal established as part of the Measure J program directly limits housing development. As the table on the following page demonstrates, the maximum allocation of permits available has only been exceeded twice. In other words, the number of building permits applied for has been consistently less than the allocation available for development. Therefore, the allocation policy has not been a direct constraint to housing production. There may be numerous factors which account for why permits were not applied for: a sluggish housing market (clearly the case in the past two years); significant reductions in State and Federal subsidies available for non-market housing; the high land costs in the County; and other factors such as commute choices reducing the demand from outside the area for housing.

It is critical to understand that in the past three years there have been effectively no limitations on affordable housing permits. In 1989, 1,384 additional affordable housing permits were made available above and beyond the annual allocation. In September of 1991, the County Planning Commission and Board of Supervisors fully implemented Draft Housing Element Program 11a (page 107) by exempting all affordable housing units from the Measure J allocation process. This exemption is clear and simple. All affordable units in mixed-income projects will be exempted (i.e. not counted toward the annual allocation); there are no limitations on project size or location; and there will be no impact on bonus densities or other incentives - if a unit is affordable, it is exempt.

BUILDING PERMITS ALLOCATED, ISSUED, AND CARRIED OVER

YEAR	CARRIED OVER	ALLOCATED	TOTAL ISSUED (1)	EXEMPT FROM MEASURE J (1)	SUBJECT TO MEASURE J
1979	0	930	1061	320	741
1980	189	1055	1045	735	972
1981	272	937	934	0	934
1982	275	968	738	0	738
1983	505	972	619	0	619
1984	858	991	609	0	609
1985	1240	757	710	0	710
1986	1287	768	595	0	595
1987	1460	468	723	117	606 (2)
1988	1322	489	670	0	670 (2)
1989	1141	489+1384 (3)	420	0	420
1990	2594	487	267	0	267
1991 (4)	2814	495	<116>	<0>	<116>

(1) Not including residential replacement units.

(2) More building permits were issued than allocated due to the issuance of permits from the carry-over reservoir.

(3) A special allocation of 1384 additional affordable permits was approved to allow attainment of the regional housing goal for the 1980-90 decade.

(4) Total as of July 31, 1991.

Residential Densities

The revisions to the current Draft Housing Element in Chapters 6 and 7 describe a revised residential build-out analysis and the various programs either existing or proposed to ensure an adequate supply of land at appropriate densities to meet all income level needs. Those programs include:

- o provide selective higher density affordable housing sites in urban areas or urban "enclave" areas in the rural areas when adequate public services are available.
- o provide selective higher density residential rezoning of commercial areas which are vacant or underutilized in areas not likely to be of use for commercial proposes in the near term.
- o allow for "over-retail" lower income housing in appropriate village core settings.
- o provide housing overlay zones or other incentives on non-residentially zoned lands to allow mixed use areas in the County.
- o Complete the General Plan Update and subsequent rezoning to achieve full consistency, thereby achieving appropriate housing densities.
- o Designate priority affordable housing sites ("so-called "H" sites) on appropriate sites throughout the urban area (not just in the coastal zone).
- o Continue to pursue and implement the draft bonus density ordinance now being reviewed by the County.
- o Complete farm worker housing needs assessment and take recommended actions which could result in very low and low income affordable units in rural areas; far more than assumed in the build-out analysis.
- o The Housing Advisory Commission intends to recommend revisions to the County's second unit ordinance which may also result in a higher number of affordable new units in the rural parts of the County.

Existing zoned land, either vacant or underutilized, in combination with the programs listed above, will more than adequately provide for land to meet the County's housing production goals.

Residential Design Standards

As described on pages 82-83 of the Draft Housing Element, the set-back, design, parking, open space and other standards of the County are very typical of other communities. Recently, the County has substantially

clarified and simplified residential development standards by providing a table detailing required heights, set-backs, floor area ratios and the like for all zoning districts. These standards were developed in a cooperative process working closely with area architects and engineers. They are designed to provide more certainty and clarity on design standards.

In addition, the County has prepared a draft Bonus Density ordinance in accord with recent State law, which will enable developers of affordable units (10% very low, 20% lower, 50% senior) to request and receive not only a 25% bonus density, but one or more reductions in residential development standards. The ordinance is currently under review by the County's Housing Advisory Commission, Planning Commission and Board. One County developer (of the Paloma Del Mar project) recently used the State Bonus law to successfully receive the following reductions in standards:

- 1) a 40 percent density bonus, raising the total number of units from 92 to 130;
- 2) deletion of County Code Chapter 13.10.553(c) requirement to hold an area equivalent to the deferred parking area in reserve as a landscape area;
- 3) deletion of the requirement to provide lockable storage space per unit for bicycles;
- 4) allowance of a structure three stories in height; and
- 5) reduction/waiver of Freedom County Sanitation District fees in the amount of approximately \$195,000 representing a 75 percent reduction in sewer connection fees and a permanent monthly user fee reduction (70 percent of the base flat-rate charge).

Finally, the Board has directed the County Planning Department and County Counsel to begin a multi-year, complete review and revision of Volume II of the County code; that volume dealing with land use and zoning requirements and standards. The intent of the revision is to clarify, simplify and stream-line County regulations without sacrificing the environmental and neighborhood protections desired by the community.

Development Fees

Page 88 of the Draft Housing Element identifies the development fees which are reduced or waived for various types of housing development. Other major fee reductions are made on a case-by-case basis as noted in the previous section for the recently-approved Paloma del Mar project. Program 7 on page 101 of the Housing Element directs the County to study all of the residential development fees on a comprehensive basis. This effort is strongly supported by the County's Housing Advisory Commission, which has recommended waiving or reducing fees for affordable housing projects.

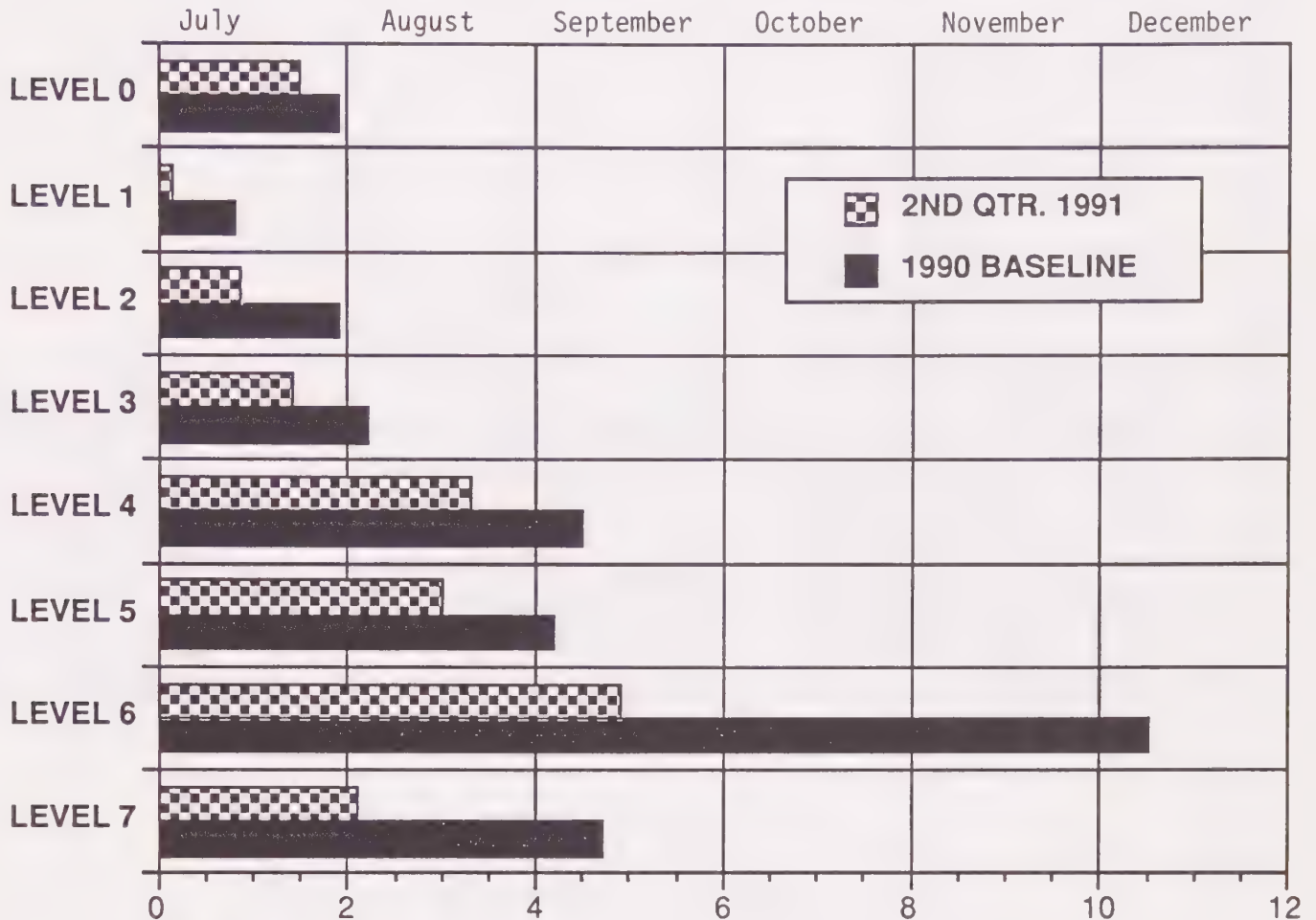
Permit Processing

Since 1989, the County Planning Department has been completing an aggressive program of "permit processing reform" as directed by the Board of Supervisors. The intent of the program has been to clarify and stream-line all development processing from minor building permits to major discretionary project reviews. Pages 88-90 of the Draft Housing Element describe the Western Productivity Study and the Zucker Systems Report, both undertaken and funded by the County to improve aspects of the County's development review process. As of October, 1991 all of the Western Productivity recommendations were fully implemented. Of the 102 Zucker Report recommendations, 77 were fully implemented and the remaining 25 are in progress and should be implemented in the near future. The result of these changes has been significant reductions in the time it takes to receive various permits for housing subdivision and other proposed developments as shown in the graphs on the following page.

In addition, the Department has designated one employee as the "Customer Service Representative" whose sole job is to guide development applications through the process, keep applicants informed as to their application status and ensure that all information is communicated in a timely way. Many of the Department's published materials describing permit processing have also been rewritten to make the process more understandable and accessible. The series of letters recently received from recent affordable housing developers bears ample testimony to the improvements made in development processing in the County (see Appendix 8).

In summary, while the County continues to adhere to policies which protect critical environmental resources and ensure adequate public services and neighborhood quality, there is no evidence to suggest that these policies directly constrain the County from achieving its housing goals. On-going improvements in permit processing; revisions to the growth management system to exempt affordable housing units; clarification of residential design and zoning standards; willingness to work with developers to achieve bonus densities and modify development standards or fees where appropriate; and an accelerated commitment to providing for affordable housing indicate the County's ability to response to housing needs.

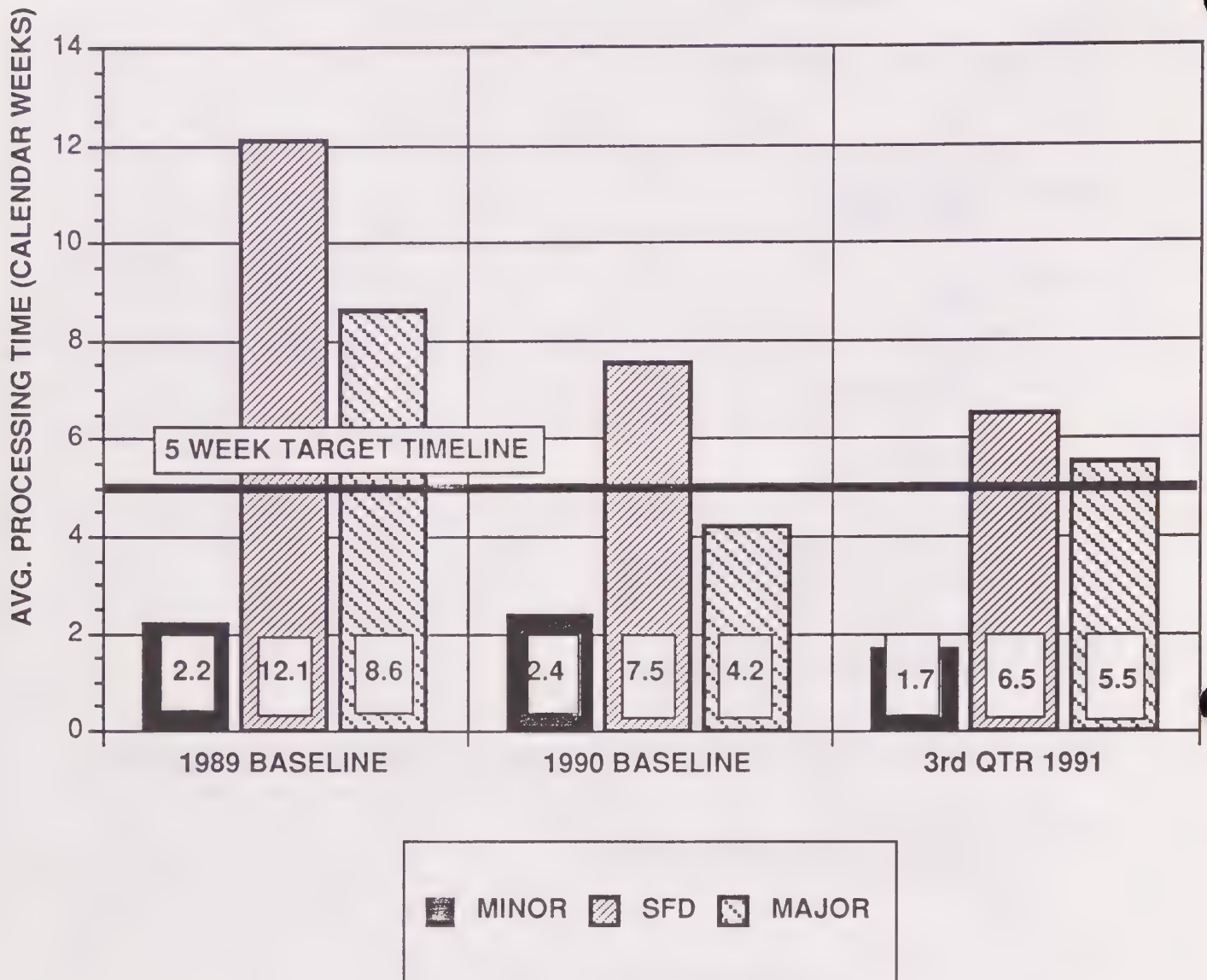
**SANTA CRUZ COUNTY PLANNING DEPARTMENT
DISCRETIONARY APPLICATION
AVERAGE TIME FROM COMPLETE APPLICATION TO FINAL DECISION BY LEVEL**



NOTE

- LEVEL 0: Various reviews submitted as discretionary applications (eg, rural matrix).
- LEVEL 1 - 3: Application requires only administrative review and approval.
- LEVEL 4: Application requires administrative approval and public notice.
- LEVEL 5: Application requires Zoning Administrator hearing and public notice.
- LEVEL 6: Application requires Planning Commission hearing and public notice.
- LEVEL 7: Application requires Planning Commission and Board hearing and public notice.

**SANTA CRUZ COUNTY PLANNING DEPARTMENT
PROCESSING PERFORMANCE FOR
BUILDING PERMIT APPLICATIONS**



FROM APPLICATION SUBMITTAL TO EVALUATION - EXCLUDES EARTHQUAKE PERMITS

NOTES:

1. Processing performance is measured from the time of application submittal to completion of the application's first routing.

Appendix #11:
Certification of 1985 Housing Element:
Resolution 97-90

Certification of 1985 Housing Element: Resolution No. 97-90

Resolution No. 97-90 was adopted on February 2, 1990 by the Santa Cruz County Board of Supervisors (see attachment 1). A March 6, 1990 letter from HCD to the County referenced Resolution 97-90, and found the County's 1985 Housing Element to be in compliance with State Housing Element Law (see attachment 2). HCD's 1990 letter summarized the Board Resolution as follows:

- " 1. Makes available, through June of 1991, in excess of 3,000 building permits for affordable housing;
2. Directs the Planning Department to conduct an outreach and information dissemination program regarding additional permits;
3. Commits the County to encourage the development of affordable housing by providing, among other things, density bonus incentives; and
4. Commits the County to designate sufficient land at appropriate densities necessary for achieving the Fairshare Housing Goals."

In the August 16, 1991 HCD Housing Element Review letter, HCD has requested that the County perform a detailed analyses of the results of Resolution 97-90. The Resolution requirements, with the results analysis, are included below.

Resolution Requirement:

"1. Makes available, through June of 1991, in excess of 3,000 building permits for affordable housing;"

Status

On October 16, 1990, the Board of Supervisors passed Ordinance #4085 (see attachment 3) amending Chapter 17.04 of the County Code related to Annual Population Growth Goals. This Ordinance required that all of the carried-over permits from previous years be allocated for construction of low and moderate income housing. The October 16, 1990 letter to the Board of Supervisors stated that:

"County Counsel and Planning agree that the proposed revised ordinance is consistent with the Housing Element of the General Plan that has been certified by HCD and that it satisfies the County's commitment to the State made in February, 1990 to continue to make available sufficient affordable building permits to implement the housing goals set forth in the Housing Element".

2,962 permits were carried over from 1990 to 1991, and were made available as of January, 1991. In addition, as part of the adoption of

the County's 1991 Growth Rate, 74 permits were reserved for units serving low and moderate income households for that year.

Despite the well-publicized availability of all carry-over permits for affordable housing as of October, 1990, and the 1990 and 1991 allocation of permits specifically for low and moderate income units, fewer than the number of permits made available as a result of Resolution 97-90 were actually issued for affordable housing during the period. The explanation for this occurrence is multi-fold: the dramatic slowdown in overall development activity throughout the nation and echoed throughout much of the State and in Santa Cruz County; the elimination of federal housing subsidies; the weakening of the national, state and local economy (likely causes being deficit spending, S & L bailout action, international trade issues, and other factors), with corresponding caution on the part of construction lenders; and the Loma Prieta earthquake. Although earthquake recovery is proceeding, the local economy continues to be very slow because of the quake and the other economic factors described above.

In September, 1991, by Board Resolution, the County Board of Supervisors approved:

"the exemption of new affordable residential units from the requirement to obtain a building permit allocation under the County's growth management regulations, in order to allow attainment of the housing goals in the Draft 1991 County Housing Element."

Resolution Requirement:

2. "Directs the County to perform an outreach program"

Status:

The County outlined an ambitious "outreach" program to the public concerning the availability of affordable building permits and the County's affordable housing program. These meetings targeted County residents in general, as well as local developers, realtors, property owners, title officers and lenders. The outreach program continues to be implemented, and is noted in the 1991 Housing Element as an ongoing program through the 1991-96 period. Features of the outreach program to date include:

1) (1991) Housing Element meetings and hearings:

- Housing Advisory Commission (HAC) public meetings
- HAC public hearings
- HAC study session
- Planning Commission study session
- Planning Commission public hearings
- Board of Supervisors public hearings
- Housing Advisory Committee meetings (monthly)

- Farm Labor Camp meetings(2)
- Latino special interest meeting (Adelante organization)
- County Housing Network meetings (monthly)
- County Affordable Housing Coordinating Committee meetings (monthly)
- Santa Cruz County Board of Realtors

2) General Plan Update meetings and hearings (12):

- La Selva Beach - 11/90
- Aptos Hills - 10/90
- Aptos - 12/91
- Carbonera - 5/91
- Freedom - 9/90
- Live Oak - 4/90, 5/90, 5/90
- Soquel - 11/90
- Corralitos - 10/90, 10/91

3) Affordable Housing Program meetings and hearings:

- Housing Advisory Commission hearings
- Planning Commission hearings
- Board of Supervisor hearings
- Housing Authority "Measure J" information seminars (bi-monthly)
- Housing Authority Mortgage Credit Certificate (MCC) training seminars
- League of Women Voters meeting
- Pajaro Futures Conference, 10/90
- Leadership Santa Cruz meetings (monthly)
- Housing Network meetings (monthly)

4) County Permit Processing Reform Program

- Watsonville Elks Club meeting, 3/90
- Rotary meeting, 4/90
- Santa Cruz County Board of Realtors, 4/90
- Non-profit developer meeting, 8/90
- Local Developer Breakfast meetings (monthly as of 8/90 +)
- Watsonville Board of Realtors, 10/90
- First American Title Company, 11/90
- Monterey Bay Coalition of Labor, Agriculture and Business, 1/91
- meeting with representative from Citizens for Planning Reform (CPR)
- Radio Interview, KSC0, 7/92

5. Redevelopment Agency Community Outreach

o Project Area Meetings:

- Boulder Creek, 3/91
- Mesa Village & Interlaken, 4/91
- Freedom, 4/91

- Aptos, 4/91
- Lompico/Zayante, 4/91
- Felton, 4/91
- Ben Lomond, 4/91

o Other Redevelopment meetings:

- Council of Improvement Associations, 1/91
- Aptos Business Association, 2/91
- Seacliff Park Association, 2/91
- Felton Business Association, 2/91
- Aptos Chamber of Commerce, 3/91
- Aptos Lions Club, 3/91
- Aptos Neighbors, 3/91
- Aptos Rotary Club, 4/91
- Aptos Kiwanis Club, 4/91
- Seacliff Park Association, 4/91

o - Redevelopment Newsletter

- 3 newsletters sent out, 1 to over 16,000 households, another to to 17,250 households, and the third to selected organizations and public libraries. See sample article from Summer, 1990 issue (attachment 4).

Resolution Requirement:

3. "Commits the County to encourage the development of affordable housing by providing, among other things, density bonus incentives;"

Status: The County's 1980 General Plan and Local Coastal Plan (LCP) contain provisions for density bonuses for eligible developments. In addition, the County's Affordable Housing Ordinance offers density bonuses to qualifying projects. Staff continues to inform applicants and/or property owners of these options and the prerequisites for density bonus approval.

Staff has drafted a Density Bonus Ordinance to comply with the requirements of State Density Bonus Law, and has proposed revisions to the General Plan and LCP to implement the State law and proposed County ordinance. The proposed ordinance and plan revisions have been reviewed by the County's Housing Advisory Commission, Planning Commission and Board of Supervisors, and have received a Negative Declaration from the County's Environmental Coordinator, and are now going through the more rigorous public hearing process. The proposed Density Bonus Ordinance addresses density bonuses, incentives and concessions, and development modifications available to local developers of qualifying projects.

Resolution:

4. "Commits the County to designate sufficient land at appropriate densities necessary for achieving the Fairshare Housing Goals."

Status:

The County, as part of its 1991 Housing Element, is proposing adoption and implementation of an Action Program to address the above Resolution. The Action Program is discussed under Potential Governmental Constraints, Residential Densities. Important to many of the Action Program provisions will be a Study of Affordable Housing Sites in the County, to be conducted in 1991-92. This Study is being funded by 1991 CDBG Planning and Technical Assistance funds, and will designate and provide technical analysis of sites suitable for designation as affordable housing sites.

February 2, 1990

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. 97-90

On the motion of Supervisor Keeley
duly seconded by Supervisor Patton
the following resolution is adopted

RESOLUTION OF FINDINGS AND INTENT
TO UPHOLD HOUSING ELEMENT TO COUNTY GENERAL PLAN

WHEREAS, the County of Santa Cruz has submitted an updated Housing Element to the County General Plan to the State Department of Housing and Community Development for State recertification; and,

WHEREAS, a Housing Element implementation strategy and commitment is provided by this Resolution of Findings and Intent, to be submitted to the State Department of Housing and Community Development.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Santa Cruz shall continue to make available sufficient affordable building permits to implement the housing goals in the General Plan Housing Element by carrying forward in excess of 3000 affordable building permits from calendar year 1990 to June 30, 1991; and,

BE IT RESOLVED that the Board of Supervisors will direct the Planning Department to conduct a program of outreach and information to developers, builders and the general public as to the existence, and availability of affordable building permits; and,

BE IT RESOLVED that the County of Santa Cruz will support residential development which is consistent with the County's General Plan; and,

BE IT RESOLVED that the County of Santa Cruz will encourage the provision of affordable housing at appropriate densities, through residential land use and zoning designations, density bonus incentives and federal and state housing subsidies for land write-downs.

BE IT FURTHER RESOLVED that the Board of Supervisors of the County of Santa Cruz hereby finds and intends to uphold and implement the County's Housing Element as specified by this Resolution, and further commits to designate sufficient land at appropriate densities necessary for achieving the Fairshare Housing Goals.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 13 day of February, 1990, by the following vote:

AYES: SUPERVISORS Patton, Mehl, Keeley & Levy
NOES: SUPERVISORS None
ABSENT: SUPERVISORS None
ABSTAIN: SUPERVISORS Beautz

Robley Levy
Chairperson of the
Board of Supervisors

ATTEST:

Susan Mauriello
Clerk of the Board

Approved as to form:

Dwight L. Herr
Dwight L. Herr, County Counsel

resolu/cdm

DISTRIBUTION: County Counsel
County Planning Department
State Department of Housing and Community Development

STATE OF CALIFORNIA)	ss
COUNTY OF SANTA CRUZ)	
I, SUSAN A. MAURIELLO, County Administrative Officer and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California do hereby certify that the foregoing is a true and correct copy of a resolution passed and adopted by and entered in the minutes of the said board. In witness whereof I have hereunto set my hand and affixed the seal of the said Board on <u>3/13</u> 19 <u>90</u>		
SUSAN A. MAURIELLO, County Administrative Officer		
By <u>[Signature]</u>		Deputy

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Housing Policy Development

Division

1800 Third Street, Room 430

P.O. Box 952053

Sacramento, CA 94252-2053

(916) 323-3176

Attachment 2



March 6, 1990

Mr. Robley Levy
Chairperson, Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Dear Mr. Levy:

RE: Housing Element Supplemental Information

Thank you for Santa Cruz County's February 23, 1990 housing element submittal, received for our review on March 1, 1990. We are pleased to find that, in our opinion, the County's adopted housing element, as modified in its programs and policies by Resolution No. 97-90, adopted by the Board of Supervisors on February 2, 1990, and the other material provided and noted below, is in compliance with State housing element law (Article 10.6 of the Government Code).

The information submitted addresses the issues cited in our review letter of January 25, 1990.

Resolution No. 97-90:

- Makes available, through June of 1991, in excess of 3,000 building permits for affordable housing;
- Directs the Planning Department to conduct an outreach and information dissemination program regarding additional permits;
- Commits the County to encourage the development of affordable housing by providing, among other things, density bonus incentives; and
- Commits the County to designate sufficient land at appropriate densities necessary for achieving the Fairshare Housing Goals.

The County's "Outreach Program to publicize the availability of affordable building permits:"

- Establishes an action plan for the program;
- Identifies the personnel responsible for implementing the program; and
- Identifies the implementation timeline.

According to this plan the program has already been initiated and notification of concerned groups will begin by April, 1990.

The Zucker Systems' "Planning Process Study" and the Western Productivity Group, Inc.'s "Summation of Study Findings and Recommendations" describe the revised permit processing system, including performance objectives.


The Board Minute Order of January 31, 1990, documents approval and acceptance by the Board of Supervisors of recommendations included in the Planning Department's "Permit Processing Reform" report presented to the Board on January 23, 1990.

The "Permit Processing Reform" report:

- Adequately documents the County's commitment to improving the planning procedures and permit processing;
- Describes methods used to eliminate the backlog; and
- Documents the reduction in the permit backlog.

We commend the County for taking action to promote affordable housing and more efficient operation of the development approval process. You have our best wishes for successful implementation of the new policies and procedures. Please feel free to contact me if you have any questions concerning our comments.

Sincerely,


Nancy J. Javor, Chief
Division of Housing Policy
Development

NJJ:CC:bt

cc: Diane Guzman, Assistant CAO/Planning Director, Santa Cruz Co.
Dan Shaw, Santa Cruz County
George Newell, County Administrative Officer
Norbert H. Dall and Associates
Dave Williamson, Community Development Block Grant Program
Ron Zumbrun, Pacific Legal Foundation
Jeanell Montero, Citizens/Planning Reform
Bruce Reed, Santa Cruz County Builders Exchange
Senator Henry Mello
Assemblyman Sam Farr
Nicolas Papadakis, Association of Monterey Bay Area
Governments
Kathleen Mikkelson, Deputy Attorney General
Bob Cervantes, Governor's Office of Planning and Research
Richard Lyon, California Building Industry Association
Kerry Harrington Morrison, California Association of Realtors
Marc Brown, California Rural Legal Assistance Foundation
Christine D. Reed, Orange County Building Industry Association

Ordinance No. 4085

ORDINANCE AMENDING CHAPTER 17.04 OF THE SANTA CRUZ
COUNTY CODE RELATED TO ANNUAL POPULATION GROWTH GOALS

The Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

The Board of Supervisors of the County of Santa Cruz (hereinafter "Board") finds as follows:

The Board has considered the effect of its Ordinances adopted pursuant to Title 7, Planning and Land Use, Division 1, Planning and Zoning, Chapter 4, Zoning Regulations (Commencing at Section 65800) of the Government Code of the State of California on the housing needs of the region in which the County of Santa Cruz is situated and has balanced those needs against the public service needs of its residents and available fiscal and environmental resources; and

The Board has considered the Growth Impact Study composed of various components, including the Growth Trends Report, the Housing Report, and the Draft and Final Environmental Impact Reports which study was prepared by various consultants and Planning staff; and

The Board has considered staff reports and information presented at public hearings on the Growth Impact Study and 1991 Growth Goal; and

The Board has certified the Growth Management Environmental Impact Report as complete, adequate and complying with CEQA and made appropriate findings with respect to significant effects identified therein; and

The Board has adopted the Growth Impact Study Implementation Program; and

The County of Santa Cruz is in the process of implementing a capital improvements plan to provide public facilities (and address deficiencies therein) to accommodate future development; and

The County of Santa Cruz has a substantial carry-over of unused building permit allocations from past years available for use in 1991; and

The Growth Management System of the County of Santa Cruz is inclusionary of the needs of low and moderate income persons and provides housing opportunities for low and moderate income persons, including minorities, which would not otherwise exist; and

The Growth Management System of the County of Santa Cruz has not significantly affected the price level of housing in the County of Santa Cruz.

The Board further finds that rapid population growth and development could cause extremely serious adverse environmental and economic effects, some of which are specified below:

1. The County possesses significant agricultural lands, including prime agricultural lands, and agricultural lands which, while not defined as "prime" are economically productive or potentially economically productive. Such agricultural lands are a local, state and national resource, which should be preserved. These agricultural lands are being lost to development, and the continued viability of commercial agriculture in Santa Cruz County is threatened by rapid population growth and misplaced development.
2. Rapid population growth and development also threaten the timber harvesting and mineral industries which are significant factors in the County's economy.
3. The County has other important natural resources, including wildlife, anadromous fish, and unique plant communities, which should be preserved; these are endangered by rapid growth and inappropriate development.
4. Coastal lagoons and marine habitats which should be preserved for their economic and biologic value could be degraded and destroyed by rapid population growth and inappropriate development.
5. Rapid population growth and development threaten the degradation of Santa Cruz County's air and water quality and thereby threaten the health and well-being of present and future residents.
6. The scenic and aesthetic qualities of Santa Cruz County would be destroyed by inappropriately placed development.
7. The "safe yield" capacity of natural surface and groundwater sources is being exceeded in many areas of the County, causing water supply and water quality problems which will be irreversible or extremely expensive to correct. Over-pumping of the Pajaro Valley groundwater basin, in particular, threatens future agricultural water supply and, consequently, Santa Cruz County's commercial agriculture.

The Board further finds that population growth and development has expanded the demand for governmentally-provided services beyond the ability of the public to pay for and provide such services. Specifically, in many parts of the County the public is unable to pay for, provide or maintain adequately the following services required by new development:

1. An adequate number of elementary and secondary school classrooms and teachers;

2. Adequate law enforcement and fire protection;
3. Adequate roads, sewers, and water.

The Board further finds that school overcrowding, traffic congestion, higher crime rates, and increasingly inadequate water supplies, roads, and sewage facilities will be the result of rapid population growth and development. These problems are greatly aggravated when new development takes place in rural areas rather than in areas where urban services can be provided at less cost to taxpayers.

The Board further finds that adoption of a 1.0 percent growth goal for 1991 combined with the carry-over of prior unused permits would allow the County of Santa Cruz to meet the AMBAG Regional Housing Needs Plan and all its obligations under state law.

SECTION II

Chapter 17.04 of the Santa Cruz County Code is hereby amended by adding Section 17.04.091 to read:

17.04.091 1991 GROWTH RATES

- (a) Overall Growth Rate. The overall population growth goal for calendar year 1991 in the unincorporated area of Santa Cruz County shall be 1.0 percent. This rate corresponds to an allocation of Building Permits for a total of 495 new residential units.
- (b) Urban Growth Rate. The population growth goal for areas designated within the Urban Services Line of the County General Plan shall be 1.2 percent. This rate corresponds to an allocation of Building Permits for 332 new residential units within the urban area.
- (c) Rural Growth Rate. The population growth goal for areas designated outside of the Urban Services Line by the County General Plan shall be 0.7 percent. This rate corresponds to an allocation of Building Permits for 163 new residential units within the rural area.
- (d) Low and Moderate Income Housing. Pursuant to Subsection (e) of Section 17.01.030 of this Code, at least 15 percent of the total allocation of Building Permits for 1991 pursuant to Subsection (a) hereof shall be reserved for housing units affordable by low and moderate income households. This figure corresponds to an allocation of Building Permits for a minimum of 74 low and moderate cost units. In addition, all of the Building Permit allocations previously authorized but not actually issued in previous years shall be carried-over and added to the allocation of per-

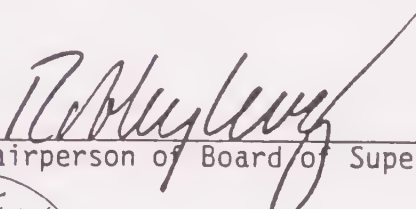
mits for low and moderate income housing to allow issuance of Building Permits for the construction of affordable housing units and enable attainment of the housing goals of the Regional Housing Needs Plan.

SECTION III


This ordinance shall take effect in 30 days after final passage.

PASSED AND ADOPTED this 23rd day of October 1990 by the Board of Supervisors of the County of Santa Cruz, State of California, by the following votes:

AYES:	SUPERVISORS	Beautz, Patton, Mehl, Keeley & Levy
NOES:	SUPERVISORS	None
ABSENT:	SUPERVISORS	None
ABSTAIN:	SUPERVISORS	None




Chairperson of Board of Supervisors

ATTEST: 

Clerk of the Board

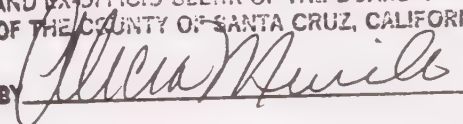
APPROVED AS TO FORM:



County Counsel

DISTRIBUTION: County Counsel
Planning Department

GR910RD2; JHW

I HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT
IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THE
OFFICE ATTEST BY MY HAND AND SEAL THIS 28th DAY
OF October 1990
SUSAN A MAURIELLO, COUNTY ADMINISTRATIVE OFFICER
AND EX OFFICIO CLERK OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, CALIFORNIA.
BY  DEPUTY

Housing:

The RDA & Affordable Housing

Coastal California housing prices, including Santa Cruz County, are going through the roof, threatening to push many residents out of the housing market. Quality rental housing in these areas often consumes a lopsided share of one's monthly income.

The net result – fewer county residents can afford to buy or rent a decent home. It comes as no surprise that more and more residents are now eligible for affordable housing programs to help meet their housing needs.

The availability of housing which is affordable to the majority of Santa Cruz County residents is a top priority for the Redevelopment Agency.

State law requires 20% of Redevelopment Agency funds to be spent on affordable housing. The Agency is committed to preserving existing affordable housing and encouraging new, high-quality, well-designed affordable homes in Live Oak and Soquel.

What exactly is "affordable housing"? While affordable housing is often considered to be decaying, overcrowded, and substandard, in Santa Cruz County this could not be further from the truth.

Affordable housing is rental or for sale housing which is considered affordable to households when their income level lies within a given range of the County median income. Housing assistance programs are broken down into three categories: very low, low, and moderate. Income eligibility standards for County residents are shown in the adjacent chart. Based on these income levels, a sampling of public and private sector professions that qualify for affordable housing programs is included.

Due to community need, the Agency's legal requirements, and the wide range of households eligible for affordable housing programs, the Agency established a series of housing programs that were recently adopted by the Board of Directors of



Who Qualifies for Affordable Housing?

Household Size & Income

INCOME

(As a % of County Median)

	1	2	3	4
Very Low (50%)	0-\$16,150	0-\$18,450	0-\$20,750	0-\$23,050
Low (50-80%)	\$16,150- \$22,250	\$18,450- \$25,400	\$20,750- \$28,500	\$23,050- \$31,750
Moderate (80-120%)	\$22,250- \$33,350	\$25,400- \$38,100	\$28,500- \$42,900	\$31,750- \$47,650

Sample of Professions that Qualify

Sole Income In Four Person Household:

Very Low Income (below 50% of median: \$23,050 maximum income)

- Bookkeeper
- Bank Teller
- Teacher (bi-lingual)
- Community Mental Health Aid
- Clinical Nurse
- Youth Program Coordinator

Low Income (between 50-80% of median: \$23,050-\$31,750)

- Librarian
- Associate Civil Engineer
- Licensed Vocational Nurse
- Auxiliary Power Plant Operator

Moderate Income (between 80-120% of median: \$31,750-\$47,650)

- Senior Civil Engineer
- Mental Health Program Manager
- U.C. Police Officer

Redevelopment Agency. These programs are designed to:

- Insure that all affordable housing developments are planned with the active involvement of neighborhood residents.
- Guarantee that all new affordable homes are well-designed and fully integrated into the community.
- Provide grants and loans to help preserve and develop affordable

housing in Live Oak, Soquel, and elsewhere in the unincorporated regions of the County.

For more information about the RDA's program, or to receive a copy of the Housing Program Guidelines, contact Erik Schapiro at the Redevelopment Agency, 425-2642.

General information about affordable housing opportunities can be obtained from the Housing Authority of Santa Cruz County, 425-2671. ●

Appendix #12:
Meeting Rehabilitation Objectives

Meeting Rehabilitation Objectives

The rehabilitation objective in the 1985 Housing Element (Objective 9.3.1) was predicated upon the County's past performance in the area of housing rehabilitation, and the assumption that federal and state funds would continue to be available, that such programs could be workable in Santa Cruz County, and that County applications for State and/or other rehabilitation funding would be successful. These assumptions proved flawed.

Sources of Federal and State rehabilitation funds declined greatly during the period. Although the County was successful in obtaining a HUD rental rehabilitation set aside, the program proved too difficult to administer in the County. Although tremendous community outreach was conducted, at considerable staff time and expense, the rent restrictions were found to be too burdensome for potential program applicants. Due to community disinterest in the program as constituted, the County returned its funding commitment to HUD.

The County obtained an allocation of funds from HCD to assist owners in rehabilitating farm labor quarters in the County. The program was voluntary, with owners required to contribute half the rehabilitation costs. Because of these program characteristics, the program failed.

The County successfully operated a Self Help housing program throughout the County during 1986-87. County staff combined self help with CDBG rehab. efforts to maximize program output.

The 1987 CDBG application for rehabilitation in Live Oak was approved, and the program completed. Mobile home rehab. was conducted through this program, as well as that of single family units. The grant is being closed out at present. The 1990-91 and 1991-92 CDBG applications have both been approved and will involve rehabilitation.

The County's 1985-86, 86-87, 1988-89, and 1989-90 CDBG applications were rejected by HCD. Although the County felt these were strong grant applications, the lack of a certified Housing Element during the 1985-1990 period stymied State approval of both efforts. The 1985-86 application for \$600,000 proposed rehabilitation in Live Oak and assistance to the local Shared Housing organization. The 1986-87 for \$600,000 proposed rehabilitation in Live Oak and assistance to Shared Housing and Legal Aid. The 1988-89 application was not even considered by the Agency. It requested \$600,000 for the rehabilitation in the San Lorenzo Valley area. The 1989-90 application requested \$500,000 for rehabilitation in Davenport, Live Oak and the Freedom area of the County. Had these applications been approved, and the County encouraged to pursue other rehab. funding sources, the 1985 Housing Element rehabilitation objective would have likely been met.

As a result of the State's approval of the County's 1990 and 1991 CDBG applications, as well as subsequent grant applications, the County projects sizeable housing rehabilitation activity. In addition, the County's newly established Redevelopment Agency has embarked on an ambitious rehabilita-

tion program. Of the affordable housing projects assisted by the County's Redevelopment Agency as of May, 1991 (see attachment 1), two were for rehabilitation. The Pacific Family Mobile Home Park has been rehabilitated (34 units) with \$90,000 in RDA funds and \$390,000 in State funds. The Lagoon Beach Cooperative is being rehabilitated (31 units), with \$230,000 in RDA funds and \$1.95 million in State funds.

Affordable Housing Projects Assisted by the RDA

PROJECT	NO. UNITS		STATUS
	New	Existing	
A. Merrill Rd.	15		planned
B. Cunnison Ln.	39		proposed
C. Habitat For Humanity (Soquel)	3		completed
D. O'Neill Ranch	100		planned
E. Pac. Family Mobile Home Park		34	completed
F. Habitat For Humanity (Live Oak)	2		proposed
G. VOA Senior Housing	75		completed
H. Lagoon Beach Coop.		31	in progress
I. Maciel Lane/HIP	21		proposed
J. Stepping Out	18		planned
	<hr/> 273	<hr/> 65	

Appendix #13:
Housing Funds Sought/Received, 1985-91

Housing Funds Sought/Received During 1985 - June, 1991 Period

HCD has identified three programs from the 1985 Housing Element relating to anticipated requests for funding assistance for affordable housing, and asked that they be discussed. These programs include 9.2.1.501, 9.2.3.901 and 9.3.2.901 from the 1985 Element. Program 9.2.1.501 relates to mobile home park conversion, not a program for seeking funds. The County's RDA funds a local non-profit (Community Housing Corporation) to deal with mobile park conversions.

Program 9.2.3.901 states:

"Continue to identify, facilitate, and aggressively seek the use of the maximum amount of funds available for the development of affordable housing. Sources include the U.S. Department of Housing and Urban Development, California Housing Finance Agency, Farmers Home Administration, and the State Department of Housing and Community Development. Responsibility: Planning Department, Housing Advisory Commission. Ongoing."

Program 9.3.2.901 states:

"Continue to seek and utilize the maximum available amount of loan and grant funds from state and federal sources for the physical rehabilitation of substandard or deteriorated residential housing units owned and/or occupied by low and moderate income households. This includes, but is not limited to, applying for funds through the Community Development Block Grant Program. Responsibility: Planning Department, Housing Advisory Commission, Board of Supervisors. Ongoing"

During the Element period and into the present, the County worked closely with the County Housing Authority and non-profit groups active in the County to produce and retain affordable housing. In many instances, the Housing Authority or area non-profit developers directly sought funding assistance from federal or state sources, with County assistance (letters of support, fast-tracking of applications, transfer of credit approvals, etc.). In other instances, the County sought funds on its own. However, what was not anticipated at the time of writing of the 1985 Element was the tremendous decline in federal and state funding availability, and the stiff competition for these funds that remained. (See attachment I for list of remaining Federal and State housing programs, as of 2/9/90). The availability of HUD funds, for example, declined dramatically over the review period. As a consequence, the County, The Housing Authority, and other area non-profits began to rely on locally generated funds to an increasing degree.

Funding contingent either directly or indirectly upon a certified County Housing Element was generally unavailable to County applicants during the review period. Once the Element was certified, CDBG applications were subsequently prepared by the County, and HCD approval granted. Thus, Gener-

al CDBG applications were filed and approved for 1990 and 1991, and CDBG P/TA applications filed and approved for 1991.

In 1987, the County requested and received a \$20 million dollar allocation from the California Debt Limit Allocation Committee for the County's first Mortgage Credit Certificate (MCC) program. The two year allocation expired in 1989, with a new two year \$15 million dollar allocation approved for the 1990-92 period (for the County, City of Watsonville, City of Santa Cruz and Capitola.) The program was very successful, and assisted nearly 150 moderate income first time homebuyers in the County. The allocation allowed for rehabilitation as well as acquisition. At the time the 1985 Housing Element was written, the federal legislation authorizing the MCC program had not been passed. Consequently, the MCC program was not identified as a potential source of funds.

The County worked closely with the Federal Emergency Management Agency (FEMA) following the 1989 earthquake to target funds for housing rehabilitation for affected County residents. The federal rehabilitation grants and loans were used to repair major and minor earthquake damage and improve the County's housing stock, as were the CALDAP funds available from the State and being coordinated through the County Housing Authority. The approximately \$6 million dollars in "FEMA 404 Settlement" Funds are being coordinated by the County to benefit projects throughout the incorporated County that housed low and moderate income households displaced by the earthquake.

Defeasance of the County's 1984 Home Mortgage Revenue Bond series was also not anticipated by the 1985 Element. The defeasance resulted in forgiveness of the outstanding loan balance for 10 loan recipients under the program, and payment to the County for affordable housing related efforts of over \$290,000.

Adoption in 1987 of an in-lieu fee provision within the County's Affordable Housing Ordinance presented local developers with one additional option in meeting the County's 15% inclusionary requirement. This locally generated initiative resulted in a \$140,000 in-lieu fee payment in 1990, for use by the County's Affordable Housing Program.

The Housing Report prepared by the County's Redevelopment Agency stated:

"Over the years, as HUD has reduced its commitment to provide and maintain affordable units, the responsibility for providing affordable housing and maintaining existing affordable units has shifted to local government, and most notably, redevelopment agencies. ... In the wake of the federal government's diminished role in assisted affordable housing development, Low and Moderate Income Funds are now widely perceived as a potential substitute for receding federal subsidies"

With the institution of the County's Redevelopment Agency, bonds have been sold making available approximately \$7 million dollars for the RDA Low and Moderate Housing Fund for the next five years. Although not discussed in the 1985 Element, the RDA has become a very important provider and/or funding source for affordable housing and rehabilitation. To date, with

\$3.5 million dollars in RDA funds, RDA has leveraged \$5.25 million dollars in State funds, and \$9.3 million dollars in federal funds, to develop 273 new and assist 65 existing affordable units in the County. Attachment 2 reflects the mix of funding resources for affordable housing projects assisted by RDA during 1990-91. As indicated, a blend of state, federal, private and RDA funds were involved.

Subsequent to the earthquake, County rehabilitation staff performed a mobile home inspection program for earthquake damaged structures. Staff also spent considerable time preparing for the start-up of the CALDAP program, which was ultimately administered by the County Housing Authority.

In March, 1990, an attempt to streamline and more efficiently allocate housing staff resources occurred. The County's rehab. program, staffing the County Housing Advisory Commission and the MCC program was shifted from the County Planning Department to the County Housing Authority. It was believed that the existing Housing Authority staff, because of their background and experience, could well manage these and related functions. A list of projects for which the Housing Authority sought and received state and/or federal funds is included as Attachment 3. As a result of this change, County rehab staff was reassigned to building plan check duties, to help assist in the Department's permit processing reform efforts.

The County negotiated with Farmers Home Administration officials throughout the time period to determine which, if any, programs could work in the County. A major difficulty experienced was in the Administration's definition of "urban" vs. "rural", and where those areas existed in the County. The County also discussed with the California Housing Finance Agency during a series of meetings during the period possible projects in the County. CHFA found that the County's rents and land costs were too high for their requirements.

As part of meeting the housing requirements for those with special needs, the County received an allocation of funds from HCD to rehab. County farm labor quarters in 1987-88. However, as described under Meeting Rehabilitation Objectives, the program did not prove effective.

The County has requested \$3,895,000 in HUD, FEMA, Red Cross, CDBG, Cowell Foundation and SAMG grant funds to provide permanent, transitional and emergency shelter housing for the mentally ill. Of that amount, approximately \$3 million dollars has been awarded.

The County has also sought and been awarded sizeable funds to assist the homeless during the 1985-90 period. During that timeframe, the County received three McKinney Federal Emergency Shelter Grants. In 1987-88 the County received \$250,000 for the River Street Shelter and Interfaith Shelter, in 1989-90, the County received \$200,000 for the same facilities, and in 1990 \$161,200 for the Interfaith Shelter. During this period, three non-profit organizations also applied for McKinney funds but were denied. These groups included The River Street Shelter, Community Action Board and the Hope Christain Fellowship. Another non-profit, The Pajaro Valley Shelter, applied a McKinney grant and was successful. During the five year

period, the County received \$1,010,329 in Emergency Food and Shelter funds, and \$439,924 in State Emergency Shelter Program funds (Prop. 84 and Prop. 107 bond funds).

A. Federal Programs

During the 1980's, the federal government has been constantly reducing both the number of federal housing programs as well as the funding levels of the remaining programs. The present federal programs are as follows:

1. Low Income Housing Tax Credit

The largest federal housing program is authorized by the tax code rather than by housing legislation. The federal low income housing credit enacted by the Tax Reform Act of 1986 provides a credit that can be claimed annually for ten years. To qualify for the credit, the owner of the housing project must set aside (1) at least 20% of the housing units for individuals with incomes of 50% or less of area median income, or (2) at least 40% of the units for individuals with incomes of 60% or less of the area median, adjusted for family size. The rent charged for those units cannot exceed 30% of the qualifying income limitations of the household size which is imputed by the size of the unit. The project must meet the set-aside and rent requirements for a compliance period of at least 18 years.

The credit amount is determined in order to return to owners over a ten-year period an amount in present value terms equal to 70% of the "qualified basis" of a housing development. In 1987, the credit was 9%; thereafter, the credit percentage is announced monthly by the Treasury Department, and the applicable percentage

is determined by the month the building is available for occupancy. The "qualified basis" is generally the amount invested to build the development [, which does not include land costs]. A reduced credit, initially 4% per year, is available for acquiring sections of certain existing housing provided a minimum amount of rehabilitation is completed on the project. The smaller credit also applies to "federally subsidized" developments -- those which receive federal government assistance, federally tax-exempt financing or below-market federal loans (directly or indirectly). The federal credit may be supplemented by the parallel state credit discussed below.

Both the federal and state credits have a process by which the credits are allocated to individual projects. The state has established the Mortgage Bond and Tax Credit Allocation Committee to accept applications and allocate awards of low income housing tax credits.

2. Community Development Block Grants

At least sixty percent (60%) Community Development Block Grant ("CDBG") funds must be spent on activities that benefit low and moderate income persons. Low and moderate income persons are benefitted if the majority of the units in an assisted housing project are occupied by low and moderate income persons at affordable rents. Low and moderate income means for purposes of the CDBG program 80% of median income. There is no definition of affordable rents.

CDBG funds can be used for many housing activities, including acquisition, demolition and clearance activities, rehabilitation, installation of utilities, counseling, and refinancing existing debt. CDBG funds generally cannot be used directly for construction of new residential units. Exceptions include construction by certain types of non-profit corporations and last resort replacement housing.

3. Section 202 Program

The major HUD program for the production of new or substantially rehabilitated housing is the Section 202 Program for elderly and handicapped persons. Funds for around 600 units a year are made available in the jurisdiction of the Los Angeles Area office of HUD and around 300 units are funded by HUD's San Francisco Office.

Under the Section 202 Program, HUD provides a direct below market interest rate loan to a non-profit corporation and subsidizes the rent in each unit with Section 8 Leased Housing Assistance Payments. Tenants pay no more than thirty percent (30%) of their income for rent.

Profit-motivated developers, partnerships controlled by non-profit corporations and public agencies are not eligible borrowers, but local government financial assistance is often required to help make the project feasible.

4. Rental Rehabilitation Program

The Rental Rehabilitation Program provides grants to local government to support local efforts to rehabilitate rental units

for low income families. The program is targeted almost solely to units occupied by low income household in neighborhoods where the median household income does not exceed eighty percent of area median income.

5. FIRREA

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") has restructured the savings and loan industry and includes provisions that offer assistance and financial resources for affordable housing.

The new savings and loan governing body, the Federal Housing Finance Board must establish standards of community investment or services over the next two years. Each regional Home Loan Bank must establish programs for community oriented mortgage lending and affordable housing, appoint an advisory council of community and nonprofit housing organizations and designate a Community Investment Office to implement the programs.

The community oriented mortgage lending will provide loans to families below 115% of median income for longer terms and at favorable lending terms. The affordable housing program is for families below 80% and 50% of median at subsidized interest rates for up to 30 years. The funds are to be used for home purchase by eligible families, purchase or rehabilitation of federally owned or held housing, or nonprofit or publicly sponsored purchase and rehabilitation.

FIRREA also created the Resolution Trust Corporation ("RTC") which, among other activities, is to dispose of the real estate

of savings and loans taken over by the federal government. RTC may sell properties below market value and provide below market rate loans to public agencies or nonprofits in order to meet low income occupancy requirements. Generally, single family homes with a value of \$67,500 or less and multifamily units with a value of \$28,032 to \$58,392 per unit or less depending on the number of bedrooms are subject to the RTC affordable housing disposition program. Multifamily properties are subject to long term low income occupancy requirements and rent limitations.

FIRREA also requires greater reporting by lenders on loan applications and loans by census tract, income level, race and gender.

6. Section 312 Program

The Section 312 Program provides direct rehabilitation loans from HUD for both rental and homeownership housing. The priority is to owners who will live in the rehabilitation property and whose household income does not exceed 95% of area median income. Maximum loans are \$33,500 per unit, usually for a twenty year term with an annual interest rate of three to four percent. Congress has not appropriated new funds for the program, but HUD still makes loans out of loan repayments and recaptured funds.

7. Preservation of Subsidized Housing

In response to the concern that 800,000 HUD assisted low income units could be lost in the next 15 years because of the termination of affordability restrictions or the expiration of Section 8 rental assistance contracts, Congress passed the

Emergency Low Income Housing Preservation Act of 1987. Although specific funds are not budgeted to implement the Act, HUD has broad discretion to use its existing resources to provide financial incentives to project owners if they agree to maintain the low income character of their projects. Thus far, HUD has been quite flexible and cooperative in providing financial resources to these projects when the local government is also involved.

8. Tax Exempt Bonds

The Internal Revenue Code of 1986 contains a set of complex rules regarding the amount of tax-exempt bonds which can be issued, the uses for the proceeds, and requirements regarding housing affordability. In addition, all the tax exempt bonds discussed below (except 501(c)(3) bonds) are subject to a state allocation process. Under this process the total amount of bonds which can be issued is limited, and agencies have to apply to the state for an allocation of tax exemption authority. The allocations are approved by the state on a competitive basis.

a. Multifamily Bonds. The Internal Revenue Code authorizes the issuance of tax-exempt bonds for the purpose of financing the development of privately owned multifamily residential rental projects ("Multifamily Bonds") that provide certain minimum percentages of units available to low income tenants and that meet certain other statutory requirements. The major requirements of the Act for issuance of tax-exempt Multifamily Bonds are outlined below. Such bonds are also

subject to limitations under state law, which serves as the public agencies' bond issuing authority. However, if the bonds satisfy the federal law, they can generally meet state requirements.

(1) Low Income Requirements. In order to qualify for tax-exempt financing, a Multifamily Bond must satisfy one of the following requirements:

(a) 20% of the units must be occupied by tenants with 50% or less of the median gross income for the area, or

(b) 40% of the units must be occupied by tenants with 60% or less of the median gross income for the area.

A family will continue to count toward the low income requirement until its income exceeds 140% of the qualifying income level. If a tenant's family size decreases, then its qualifying income also decreases based on the new lower family size. Tenants who qualified at 50% will continue to qualify until 70% of median and those who qualified at 60% will continue to qualify until 84%. Once a tenant ceases to qualify, the next available unit of a comparable or smaller size must be occupied by a new qualifying tenant in order to maintain the tax exemption of the bonds.

(2) Qualified Project Period. The period of time during which the low income requirements have to be met are the latest of:

- (a) 15 years after 50% of the units are first occupied,
- (b) the first date on which no bonds are outstanding with respect to the project, or
- (c) the date on which assistance under the United States Housing Act of 1937, as amended, ends.

(3) Rent Level Requirements. The Act requires that the applicable percentages of units be occupied by tenants in the income groups described above, but does not specify any maximum percentages of tenants' incomes that may be charged as rent. State law authority for redevelopment agency Multifamily Bonds (SB 99 authority) also contains certain affordability requirements that must be taken into account in structuring Multifamily Bonds.

b. Single-family Bonds. The Internal Revenue Code also permits issuance of bonds to assist moderate income homebuyers. Congress has consistently pushed to limit such financing to buyers with lower incomes who are buying lower priced homes.

At least 95% of the net proceeds of each bond issue (without any reduction for issuance costs) must be used to finance mortgage loans to first-time homebuyers. First-time homebuyers are persons who have not held a present ownership interest in a principal residence during the preceding three years.

The purchase price of bond-financed residences may not exceed 90% of the average area purchase price applicable to that type of residence. Financing must be limited to borrowers whose family income does not exceed a specified percentage of the higher of the area or statewide median income. For families of three or fewer the limit is 100% of median income, and for families of four or more the limit is 115% of median income.

Issuers may elect to exchange part or all of their bond authority for authority to issue mortgage credit certificates ("MCCs"). Instead of selling bonds to investors at lower tax exempt interest rates which are passed on to the homebuyers, MCC's provide tax savings directly to the homebuyers. The amount of taxes saved by the homebuyer should approximately equal the value of the interest savings that the homebuyers would have received from a tax exempt loan. The aggregate principal amount of MCCs issued pursuant to such an election has been increased to a maximum of 25% of the exchanged bond authority. MCCs generally are subject to the same targeting requirements as qualified mortgage bonds.

If a homebuyer sells the single family residence financed by bonds within the first ten years of ownership, the borrower owes some percentage of the sales price (not to exceed 50%) as a recapture penalty.

c. 501(c)(3) Bonds. The Tax Reform Act of 1986 recognized a new class of tax-exempt bonds issued by public agencies where the proceeds are used by an entity which is exempt

from income taxation under Section 501(c)(3) of the Internal Revenue Code. Public agencies can issue such tax-exempt bonds using state law issuing authority. State law requires that 20% of units financed with such bonds be for low and moderate income households, with one-half of those units (or 10%) rented to households with incomes at or below 50% of area median at rents not more than 30% of the allowable household income. The 501(c)(3) entity must use the proceeds for its exempt purpose.

Section 501(c)(3) bonds can be used by non-profit developers to develop housing which will be owned by the non-profit. One advantage of 501(c)(3) bonds is that they are not subject to the volume cap applicable to most multifamily tax exempt bonds. Instead, each 501(c)(3) entity (and its related organizations) can use up to 150 million dollars of bonds issued on their behalf. Section 501(c)(3) bonds also tend to sell at a slightly lower interest rate (typically about 25 basis points) than other tax-exempt bonds because the interest on the bonds is not subject to the federal alternate minimum tax.

A potential disadvantage of 501(c)(3) bonds is that the non-profit cannot form a limited partnership to syndicate the project and sell federal and state tax credits to investors, since this would violate the rule requiring that the project to which the bond proceeds are applied must be owned by a 501(c)(3) tax-exempt non-profit corporation.

B. State Programs

Most State of California housing programs depend and are premised on local government involvement. In fact many of the programs require matching local government funds as a prerequisite to making a loan.

1. California Housing Finance Agency (CHFA)

CHFA has been the principal state agency to provide permanent loans to developers for rental housing of low and moderate income persons. Most of its financing is provided by the issuance of tax-exempt bonds. The loans are subject to the federal and state requirements governing tax-exempt bonds, which require that at least twenty percent (20%) of the units be rented to very low income persons or forty percent (40%) of the units be rented to persons with incomes below sixty percent (60%) of median income. The interest rate charged to developers depends on the interest on the bonds, but in the last couple of years it has been in the 9.5% to 10.0% range for a fixed rate, 30 year loan. The loan to value ratio cannot exceed 80%.

Most of CHFA's loans are made to government agencies and non-profit developers under its State/Local Program. Under this program CHFA will make deferred second loan in addition to its amortized first loan as a way of writing down the interest rate. The maximum loan is \$5000 per unit and the local government is required to make a loan or grant to the project equal to at least ten percent (10%) of the project cost. The interest rate on the deferred second loan will be 3% per year or

be equal to the interest rate on the locality loan, whichever is greater.

Terms of loans that CHFA makes to projects developed and owned by 501(c)(3) corporations or public agencies are more flexible. The first loan will be sized to be fully amortized with 95% of the project's net operating income. The interest rate on the second loan will be 8%.

In recent years CHFA has been making over five hundred million dollars (\$500,000,000) a year in loans for homebuyers of low and moderate income. The interest rate to homebuyers of units developed by project developers is usually in the 8.5% to 9% range with a five percent (5%) down payment. The interest rate to buyers of units developed by non-profit developers, however, is about 7.5% and the selling price can be lower because considerable lower commitment fees are charged non-profit developers.

To help offer home ownership opportunities to families with income of median or below, CHFA also operates a Marketing Down Payment Program (MDP) in conjunction with its first loans. The MDP Loans can be up to \$5000 per unit and can be made in target areas of a city. The purpose of the program is to help pay closing costs or to increase the down-payment as a way of reducing monthly payments. The MDP Loan is recorded as a second loan, accrues 3% simple interest and is due and payable only upon the sale or refinancing of the house.

2. Department Of Housing And Community Development (HCD)

In contrast to CHFA, which provides funds for amortized loans, HCD provides funds which function as a long term subsidy for projects which are developed for low and very low income persons.

HCD operates several programs which provide funds to assist in the development of housing for low and very low income persons. The Rental Housing Construction Program (RHCP) was established in 1980 and originally funded with over 80 million dollars. The Program will be refunded with over 200 million dollars from Proposition 84 which was passed by the voters on the November, 1988 ballot. Loans are made primarily for new construction, through the application of local government. To be eligible for assistance under the RHCP, at least thirty percent (30%) of the units must be made available to low income households, and at least twenty percent (20%) must be made available to very low income households at affordable rents. Funds from the RHCP are usually provided to projects through thirty year deferred loans accruing interest at three percent annually.

The other two major HCD programs, The Special User Housing Rehabilitation Program and the Deferred Payment Rehabilitation Loan Program, are being combined into one coordinated program and had in excess of 150 million dollars available beginning in calendar year 1989. Eligible projects include the acquisition and rehabilitation of apartments, group homes and residential hotels. Owner occupied homes are also eligible although the

emphasis of the program is on multi-family rental housing. These programs are funded primarily by Proposition 77, passed by the voters in June 1988. That proposition authorized the state to issue general obligation bonds for rehabilitation of low income housing. From the bond proceeds, \$70 million will be allocated by HCD to local government and non-profit organizations that operate housing rehabilitation programs. The other \$80 million will be allocated to provide loans to rehabilitate unreinforced masonry buildings to make them earthquake resistant.

HCD also provides predevelopment loans to local government agencies and non-profit corporations. The loans are usually for no more than three years and bear deferred interest at 7%. The proceeds of a loan can be used for a variety of activities including purchasing land, land options, and payment of consultant, legal, and financing fees.

The 1988 Session of the California Legislature added Section 25402.3 to the Public Resources Code. That Section appropriates \$2 million to HCD for energy conservation and rehabilitation of housing for low and very low income households. HCD will make these funds available to localities and nonprofit sponsors. These monies may be used in conjunction with other rehabilitation programs to upgrade and preserve existing low and very low income rental housing and possibly for low and very low income homeowners, including elderly homeowners. These funds are derived from Petroleum Violation Escrow Account (PVEA) funds

received by California in settlement of a variety of oil overcharge cases.

3. California Low Income Housing Tax Credit

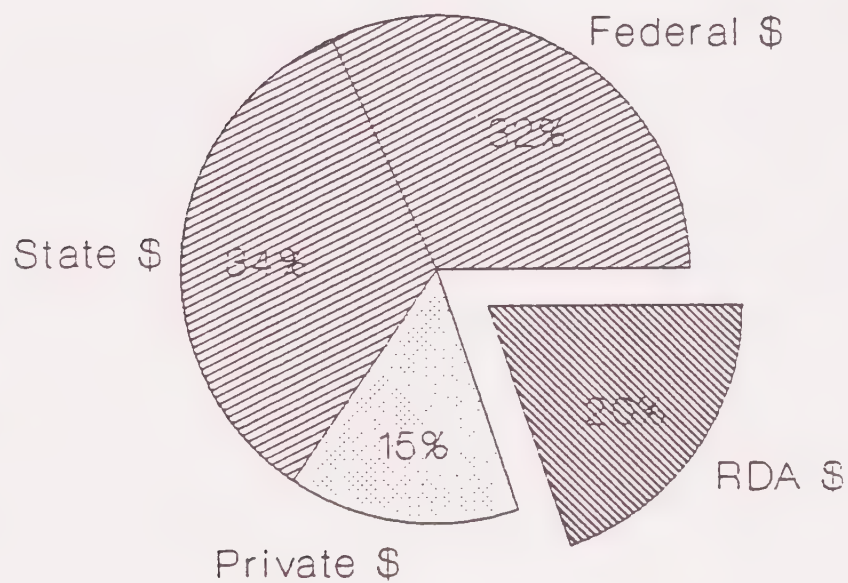
The State low income housing tax credit is modeled after its federal counterpart with some exceptions. The most important exceptions are:

a. The credit period under the State law is four years, and the amount of the credit for all projects (regardless of whether or not "federally subsidized") will total 30% over the credit period.

b. The amount of return an investor in a low income housing project can receive is limited to a cumulative cash return of 8% on cash invested in the project. Any other net cash flow must be used to reduce the rents or increase the number of low income units. The federal credit does not restrict the return an investor may receive.

c. The compliance period for the set-aside and rent requirements is 30 years (15 years longer than the federal compliance period).

1990-91 Agency Funded Affordable Housing Projects
RDA and Other Funding Sources



List of Programs for which Housing Authority
sought and received funding in County of Santa Cruz jurisdiction

<u>Program</u>	<u>Date</u>	<u># of units</u>	<u>Jurisdiction</u>	<u>\$ award</u>
CDBG	91/92	20 + wastewater disposal system	Co of S.C.	\$500,000
CDBG	90/91	27	Co. of S.C.	\$500,000
OMS-Buena Vista Migrant Center	1991	14 + day care center	Co. of S.C.	\$1,317,500
Farmworker Housing Grant Program	1991	37	Co. of S.C.	\$212,000
Transitional Housing Grant	1991	6	Co. of S.C.	\$628,546
App. for Low Rent Public Housing	1991	15	Co. of S.C.	\$1,574,280
Section 8 Certificates Rental rehab/homeless	1991	62	C. of S.C.	\$558,919
Section 8 Mod Rehab	1990	173	Co. of S.C.	\$2,006,749
Section 8 Vouchers	1987	114	Co. of S.C.	\$951,107
HCD Pre- Development Loan	1990	101	Co. of S.C.	\$60,000
RHCP	1991	15	Co. of S.C.	\$1,195,167
Red Cross	1990	101	Co. of S.C.	\$753,000

Appendix #14:
Production of Lower and
Very Low Income Housing

Production of Lower and Very Low Income Housing

The County has been successful in providing moderate income housing during the 5 year review period. The County's inclusionary ordinance, MCC program, and density bonus program have assisted in this regard. During the 1985-90 period, the County's Affordable Housing Ordinance contained no requirements or incentives specifically aimed at developers of lower or very low income housing. The presumption was that the availability of federal and/or state subsidies for such projects would provide sufficient incentives. In addition, the State and local density bonus provisions allowed projects for moderate income vs. lower or very low income households to qualify. Waning federal and state housing subsidies for lower and very low income projects, and the moderate income focus of the County's Inclusionary ordinance and State and local density bonus requirements, helped to produce more moderately priced housing at the expense of lower and very low income housing.

Proposed changes now under review to the County's Affordable Housing Ordinance and Income, Asset and Unit Price Guidelines are intended to target the needs of lower and very low income households, and reduce the emphasis on moderate income housing. At present, the County's Affordable Housing Ordinance requires that 15% of residential development projects or subdivisions containing 5 or more units/lots be constructed for "affordable" housing. That housing can serve the needs of moderate, lower or very low income households. The proposed revisions present a "menu" approach, with 15% required for very low income, 20% for lower income or 25% for "affordable" households, with the choice up to the developer. In addition, the State Density Bonus Law, as embodied in the proposed County Density Bonus Ordinance, requires granting a density bonus with incentives to very low or lower income housing projects, with no bonus or incentives for moderate income projects. These efforts should greatly assist in producing more lower and very low income housing.

The County's RDA will be actively assisting developers of lower and very low income housing. In addition, the Action Program described under Potential Governmental Constraints calls for creating appropriately zoned and/or designated parcels to accomodate lower and very low income housing, and other measures.

Appendix #15:
Redevelopment Housing Funds

Redevelopment Funds

Approximately \$7 million dollars are being made available through the sale of bonds for the RDA Low and Moderate Fund during the next five years. The Affordable Housing projects being assisted by RDA are listed in Attachment 1. Projects having been assisted by RDA to date include those in Attachment 2. Redevelopment funds and the projects they have and are planned to assist are discussed in more detail in the Appendices labelled Meeting Rehabilitation Objectives and Housing Funds Sought/Received During 1985-90.

Appendix #15: Redevelopment Housing Funds

Affordable Housing Projects Assisted by the RDA

PROJECT	NO. UNITS		STATUS
	New	Existing	
A. Merrill Rd.	15		planned
B. Cunnison Ln.	39		proposed
C. Habitat For Humanity (Soquel)	3		completed
D. O'Neill Ranch	100		planned
E. Pac. Family Mobile Home Park		34	completed
F. Habitat For Humanity (Live Oak)	2		proposed
G. VOA Senior Housing	75		completed
H. Lagoon Beach Coop.		31	in progress
I. Maciel Lane/HIP	21		proposed
J. Stepping Out	18		planned
	<hr/> 273	<hr/> 65	

REDEVELOPMENT AGENCY LOW AND MODERATE INCOME HOUSING PROGRAM
COMPLETED AND PENDING PROJECT STATUS

	Units Completed	Units Financed Pending Compl.	Site Acquired Proj. Pending
EXISTING HOUSING	0	64	0
-Limited Equity Coops			
-Rehabilitation			
NEW HOUSING	78	58	138
-Land Acq. Assist.			
-Construction Financing			
TOTAL	<u>78</u>	<u>122</u>	<u>138</u>

Appendix #16:
List of Meetings and Public Hearings
Held During Preparation of the 1991-96
Housing Element

LIST OF PUBLIC MEETINGS AND HEARINGS ON
COUNTY OF SANTA CRUZ HOUSING ELEMENT

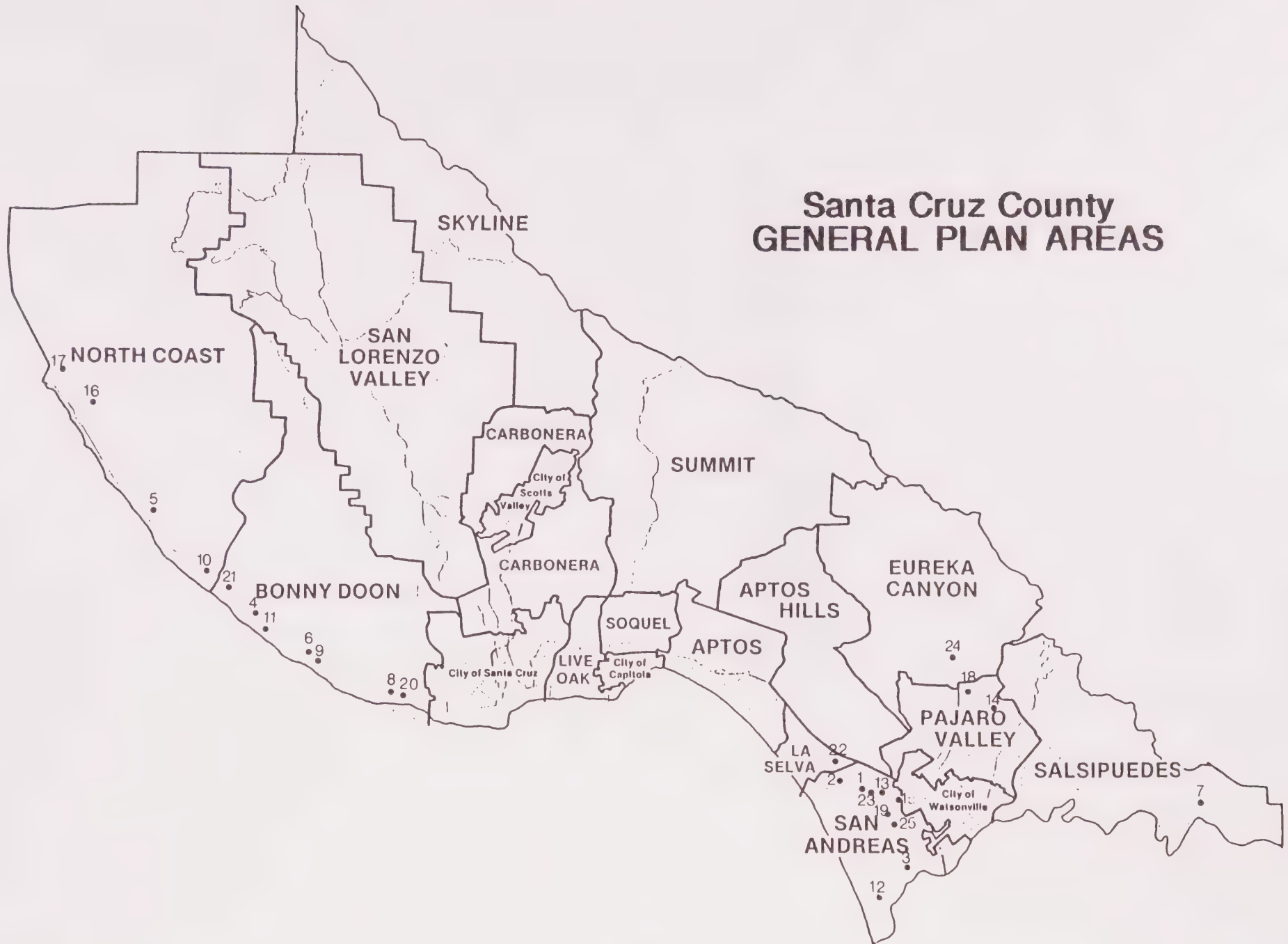
<u>Date</u>	<u>Group</u>	<u>Purpose</u>
3/9/90	Board of Realtors	Discussion of Housing Element content and process
10/23/90	Board of Supervisors	Discuss Scope of Work for Housing Element
2/6/91	Housing Advisory Commission	Public Meeting on Housing Needs
6/4/91	Planning Commission	Scheduled Review of Preliminary Draft Housing Element
6/12/91	Housing Advisory Commission	Scheduled Review of Preliminary Draft Housing Element
6/20/91	Housing Advisory Commission	Review of Preliminary Draft Housing Element
6/21/91	Mental Health Housing Advisory Committee	Discussion of Preliminary Draft Housing Element
6/25/91	Board of Supervisors	Review of Preliminary Draft Housing Element
6/26/91	Planning Commission	Review of Preliminary Draft Housing Element
7/19/91	Mental Health Housing Advisory Committee	Discussion of Preliminary Draft Housing Element
7/24/91	Housing Advisory/ Planning Commission	Joint Study Session on Housing Element
8/7/91	Housing Advisory Commission	Discussion of Housing Element
8/16/91	Mental Health Housing Advisory Committee	Discussion of Preliminary Draft Housing Element
8/21/91	Adelante	Study Session with Latino Organization on Housing Element content and

process

9/4/91	Housing Advisory Commission	Public Hearing on Housing Element
9/9/91	Housing Advisory Commission	Public Hearing on Housing Element
9/11/91	Planning Commission	Public Hearing on Housing Element
9/20/91	Mental Health Housing Advisory Committee	Discussion of Draft Housing Element
9/24/91	Board of Supervisors	Scheduled Public Hearing on Housing Element
10/9/91	Housing Advisory Commission	Public Hearing on Housing Element
10/18/91	Housing Network	Disussion with County non-profit housing groups on Housing Element
10/23/91	Planning Commission	Public Hearing on Housing Element
10/24/91	Farmworkers, Murphys Farm Labor Camp	Discussion of Farmworker Housing Needs and Housing Element content and process
10/30/91	Farmworkers, San Andreas Farm Labor Camp	Discussion of Farmworker Housing Needs and Housing Element content and process
11/5/91	Board of Supervisors	Public Hearing on Housing Element
11/13/91	Planning Commission	Public Hearing on Housing Element
11/18/91	Environ. Coordinator	Environmental Review of Housing Element
11/26/91	Board of Supervisors	Public Hearing on Housing Element
12/10/91	Board of Supervisors	Public Hearing on Housing Element
12/23/91	Ca. Coastal Commission	State review period ended on this date. Negative Declaration issued.
1/7/92	Board of Supervisors	Public Hearing on Housing Element

Appendix #17:
Map Showing Location of Private
Farmworker Housing Labor Camps

Santa Cruz County GENERAL PLAN AREAS



Appendix #18:
Summary of Revisions to Farmworker
Housing Ordinance (1991)

SUMMARY DESCRIPTION OF THE COUNTY CODE AMENDMENT REVISING FARM WORKER
HOUSING REGULATIONS

Adoption of the ordinance resulted in the following changes to the farm worker housing definitions and regulations:

1. Places all regulations together in a single section of the County Code;
2. Specifies a purpose for the regulations for the first time, thereby providing a written rationale for these regulations which can help guide decision-maker's interpretation in specific situations;
3. The definitions for these uses are more comprehensive and better understood by the public, better meet current trends in agriculture, and comply with State required minimum housing standards;
4. Reduces the frequency by which a permit for an Agricultural Caretakers' Mobile Home must be renewed, from once every 3 years to once every 5 years;
5. Provides greater conservation of arable land and rangeland by having the minimum required acreages and dwelling unit densities for these uses correspond to the portion of the site that is actually arable land or grazing land, rather than the total acreage of the site as discussed above;
6. Allows for a "variance" to the minimum acreage requirements for the first time, when it can be demonstrated that the location of the land is geographically isolated (e.g. a vineyard on the Summit) or the method of production is more labor intensive than conventional agriculture (e.g. organic farming);
7. Creates a better assurance that these dwellings will be used by farm workers and their families by limiting the sizes of farm labor quarters to 1,500 sq. ft. and farm labor camp units to 1,000 sq. ft. of habitable floor area; and
8. Adds a responsibility to the County's Agricultural Policy Advisory Commission (APAC) by allowing the Commission to act as the decision-making body for appeals when there is a dispute over the amount of arable land on a site.

Appendix #19:

Listing of Mobile Home Parks, Mobile
Home Spaces and Recreational Vehicle
Spaces in Santa Cruz County

SANTA CRUZ COUNTY MOBILE HOME PARKS

<u>MH Spaces/ RV Spaces</u>	<u>Mobile Home Park</u>
33/ 0	Ace High Trailer Park 1730 Commercial Way Santa Cruz, CA 95062
147/ 0	Alimur Park 4300 Soquel Drive Soquel, CA 95073
57/ 0	Antonelli's Mobile Manor 2655 Brommer Street Santa Cruz, CA 95062
71/ 0	Aptos Knoll MH Park 600 Trout Gulch Road Aptos, CA 95003
170/ 0	Aptos Pines MH Park 7515 Freedom Boulevard Aptos, CA 95003
54/ 0	Bay MH Park 925 38th Avenue Santa Cruz, CA 95062
17/ 0	Beach RV Park 2505 Portola Drive Santa Cruz, CA 95062
73/ 0	Beachcomber MH Park 2627 Mattison Lane Santa Cruz, CA 95062
33/ 6	Bell Harbor MH Park 3300 Portola Drive Santa Cruz, CA 95062
0/ 50	Beulah Park 1200 El Rancho Drive Santa Cruz, CA 95060
128/ 0	Blue & Gold Star MH Park 1255 38th Avenue Santa Cruz, CA 95060
100/ 0	Blue Pacific MH Park 220 Mar Vista Drive Aptos, CA 95003

SANTA CRUZ COUNTY MOBILE HOME PARKS

100/ 0	Carriage Acres 999 Old San Jose Road Soquel, CA 95073
60/ 0	Cliffwood Mobile Estates 3200 Cliffwood Drive Soquel, CA 95073
71/ 0	Colonial Manor 525 Airport Boulevard Watsonville, CA 95076
1/ 79	Cotillion Gardens 300 Old Big Trees Road Felton, CA 95018
45/ 0	Country Villa MH Park 2630 Orchard Street Soquel, CA 95073
10/ 0	Drop In Trailer Court 1911 Freedom Boulevard Freedom, CA 95019
22/ 0	Fall Creek Mobile Park P.O. Box 17 Felton, CA 95018
20/ 0	Forest Glen Trailer Park 18285 China Grade Road Boulder Creek, CA 95006
45/ 0	Freedom MH Park 1954 Freedom Boulevard Freedom, CA 95019
22/ 0	Garden Lane Mobile Living 692 38th Avenue Santa Cruz, CA 95062
0/100	Golden Torch Trailer Park 6100 Freedom Boulevard Aptos, CA 95003
105/ 0	Green Valley Village 501 S. Green Valley Road Watsonville, CA 95076
18/ 0	Heart of Soquel MH Park 4740 Soquel Drive Soquel, CA 95073

SANTA CRUZ COUNTY MOBILE HOME PARKS

51/ 0	Homestead Park 2355 Brommer Street Santa Cruz, CA 95062
3/237	KOA Campground 1186 San Andreas Road Watsonville, CA 95076
28/ 3	Live Oak MH Park 1255 17th Avenue Santa Cruz, CA 95062
3/ 15	McIntosh Trailer Park 4151 Soquel Drive Soquel, CA 95073
0/ 16	Mission Springs 1050 Lockhart Gulch Road Santa Cruz, CA 95060
6/ 15	No. California Trailer Park Route 1, Box 775 Boulder Creek, CA 95006
58/ 0	Ocean Breeze MH Park 2565 Portola Drive Santa Cruz, CA 95062
4/ 16	Ocean View Park 27 Windemere Lane Aptos, CA 95003
39/ 0	Old Mill MH Park 3060 Porter Street Soquel, CA 95073
112/ 3	Opal Cliffs MH Park 890 38th Avenue Santa Cruz, CA 95062
27/ 0	Orchard Lane MH Park 2750 Orchard Street Soquel, CA 95073
48/ 3	Palm Terrace Estates 2711 Mar Vista Drive Aptos, CA 95003
29/ 46	Pine Knoll Mobile Manor 2546 Capitola Road Santa Cruz, CA 95062
177/ 0	Pinto Lakes Estates

SANTA CRUZ COUNTY MOBILE HOME PARKS

789 Green Valley Road
Watsonville, CA 95076

1/ 50 Pinto Lake Recreation Park
324 Amesti Road
Watsonville, CA 95076

65/ 0 Pleasant Acres MH Park
1770 17th Avenue
Santa Cruz, CA 95060

33/ 0 Pleasure Point Mobile Manor
720 26th Avenue
Santa Cruz, CA 95060

17/ 0 Portola Mobile Manor Estates
3320 Portola Drive
Santa Cruz, CA 95062

22/ 0 Portola Trailer Park
3400 Portola Drive
Santa Cruz, CA 95062

35/ 0 Ranchitos Mobile Park
998 38th Avenue
Santa Cruz, CA 95062

79/ 0 Rancho Corralitos MH Park
270 Hames Road
Watsonville, CA 95076

29/ 0 Red, White and Blue Rancho
5021 Coast Road
Santa Cruz, CA 95060

1/ 20 Redwood Rest Resort
Lorenzo Ave. and Grove St.
Boulder Creek, CA 95006

33/ 0 Redwoods on the River
265 Brown Gables Road
Ben Lomond, CA 95005

2/128 River Grove Park Resort
4980 Highway 9
Felton, CA 95018

204/ 0 Rodeo Mobile Estates
100 North Rodeo Gulch Road
Soquel, CA 95073

1/ 46 Santa Vida
1611 Branciforte Drive
Santa Cruz, CA 95060

SANTA CRUZ COUNTY MOBILE HOME PARKS

32/ 0	Seacliff Center Trailer Park 234 State Park Drive Aptos, CA 95003
101/ 0	Seacliff MH Park 2700 Mar Vista Drive Aptos, CA 95003
19/ 2	Sequoia Villa 12540 Highway 9 Boulder Creek, CA 95006
0/400	7th Day Advent. Campground 1931 Old San Jose Road Soquel, CA 95073
54/ 0	Shangri La Estates 1040 38th Avenue Santa Cruz, CA 95062
176/ 0	Shoreline Mobile Estates 1555 Merrill Street Santa Cruz, CA 95062
136/ 0	Smithwood Resort 4470 Highway 9 Felton, CA 95018
32/ 0	Smithwood Resort 4470 Highway 9 Felton, CA 95018
121/ 0	Snug Harbor MH Park 560 30th Avenue Santa Cruz, CA 95062
69/ 0	Soquel Glen MH Park 5470 Soquel Drive Soquel, CA 95073
20/ 0	Soquel Trailer Park 4150 Soquel Drive Soquel, CA 95073
92/ 0	Sorrento Oaks 800 Brommer Street Santa Cruz, CA 95062

13/ 0	Town and Country MH Park Highway 9 Ben Lomond, CA 95005
73/ 0	Trailer Haven 2630 Portola Drive Santa Cruz, CA 95062
121/ 0	Villa Santa Cruz 2399 Felt Street Santa Cruz, CA 95060
56/ 0	Voyage West Mobile Estates 710 Gross Road Santa Cruz, CA 95062
1/ 45	The Willows 14505 Stetson Road Los Gatos, CA 95030
99/ 0	Yacht Harbor Manor 1190 7th Avenue Santa Cruz, CA 95062

TOTAL: 3724/1278

Appendix #20:
Levels of Service for Selected
Intersections in Santa Cruz County

Existing Intersection Levels of Service, P.M. Peak Hours

APTOS	INTERSECTION		CONTROL TYPE	ANALYZED MOVEMENTS	LOS
Unsignalized Intersections	Soquel Dr.	Freedom Blvd.	2-way Stop	NB SB EB L WB L	E E A A
				WB L WB T/R NB L	F C A
	Highway 1-NB ramp	State Park Dr.	1-way Stop	EB L/T EB R	A A
	Highway 1-SB ramp	State Park Dr.	1-way Stop	WB L/T WB R NB L	D A A
	Highway 1-NB ramp	Freedom Blvd.	1-way Stop	EB L EB R SB L	D A A
	Highway 1-SB ramp	Freedom Blvd.	1-way Stop	NB L NB T/R EB L	F A A
	Highway 1-NB ramp	Rio Del Mar Blvd.	1-way Stop	SB L SB T SB R WB L	E C E A
	Highway 1-SB ramp	Rio Del Mar Blvd.	1-way Stop	All	C
	Soquel Dr.	Cabrillo College Dr.	3-way Stop	All	F
	Soquel Dr.	Spreckles Dr.	3-way Stop	All	C
	Rio Del Mar Blvd.	Sumner Ave.	3-way Stop	All	D
	Soquel Dr.	Trout Gulch Rd.	4-way Stop	All	D
	State Park Dr.	Seacliff Dr./Center Ave.	4-way Stop	All	D
	Soquel Dr.	Rio Del Mar Blvd.	4-way Stop	All	D
	Club House Dr.	Rio Del Mar Blvd.	3-way Stop	All	F
Signalized Intersections	Soquel Dr.	State Park Dr.	Signal	All	C
SAN LORENZO VALLEY					
Unsignalized Intersections	Graham Hill Rd.	Zayante Rd.	1-way Stop	SB L SB R EB L	E A B
				EB NB L	B A
	Highway 9	Highway 236-NB ramps	1-way Stop	All	C
Signalized Intersections	Highway 9	Highway 236-SB ramps	3-way Stop	All	C
	Graham Hill Rd.	Mt. Herman Rd.	Signal	All	B
Unsignalized Intersections	Highway 9	Graham Hill Rd.	Signal	All	C
	Highway 1-NB ramps	Larkin Valley Rd.	1-way Stop	SB	B
	Highway 1-SB ramps	San Andreas Rd.	1-way Stop	SB L/T WB L	D A
	Highway 1-NB ramps	Mar Monte Ave.	1-way Stop	WB L/T WB R NB L	A A A
	Highway 1-SB ramps	Mar Monte Ave.	1-way Stop	EB WB	A A
LA SELVA BEACH					

Existing Intersection Levels of Service, P.M. Peak Hour

	INTERSECTION		CONTROL TYPE	ANALYZED MOVEMENTS	LOS	
LIVE OAK	Unsignalized Intersections	Soquel Ave	17th Ave.	3-way Stop	All	C
		Soquel Dr.	Winkle Ave.	3-way Stop	All	D
		17th Ave.	Rodriguez St.	4-way Stop	All	C
		Brommer St.	7th Ave.	4-way Stop	All	D
		7th Ave.	East Cliff Dr.	3-way Stop	All	D
		Portola Dr.	30th Ave. (west leg)	3-way Stop	All	C
		41st. Ave.	Portola Dr.	4-way Stop	All	D
		17th Ave.	Merrill St.	4-way Stop	All	C
		Chanticleer Ave.	Rodriguez St.	3-way Stop	All	C
		Portola Dr.	38th Ave.	4-way Stop	All	D
		Brommer St.	Chanticleer Ave.	4-way Stop	All	D
		Brommer St.	30th Ave.	4-way Stop	All	C
		7th Ave.	Rodriguez St.	4-way Stop	All	C
	Signalized Intersections	Soquel Ave.	7th Ave.	Signal	All	C
		Soquel Dr.	Thurber Ln.	Signal	All	B
		Soquel Dr.	Rodeo Gulch	Signal	All	A
		Capitola Rd.	7th Ave.	Signal	All	B
		Capitola Rd.	17th Ave.	Signal	All	C
		Capitola Rd.	Chanticleer Ave.	Signal	All	B
		Brommer St.	17th Ave.	Signal	All	B
		7th Ave.	Eaton St.	Signal	All	C
		17th Ave.	Portola Dr.	Signal	All	C
		Highway 1-NB ramp	Soquel Dr/Paul Sweet Rd.	Signal	All	D
		Highway 1-SB ramp	Soquel Ave.	Signal	All	C
		Soquel Ave.	Soquel Dr.	Signal	All	D
SOQUEL	Unsignalized Intersections	Porter St.	Main St.	3-way Stop	All	D
		Soquel Dr.	Main St.	4-way Stop	All	C
		Soquel Dr.	Robertson St.	3-way Stop	All	C
		Capitola Ave.	Soquel Dr.	3-way Stop	All	C
	Signalized Intersections	Park Ave.	Cabrillo College Dr.	Signal	All	B
		Soquel Dr.	41st Ave.	Signal	All	B
		Soquel Dr.	Porter St.	Signal	All	D
		Soquel Dr.	Park Ave.	Signal	All	B
		Soquel Dr./San Jose Rd.	O'Neill Court	Signal	All	B
		PAJARO	Signalized Intersections	Freedom Blvd.	Green Valley Rd.	Signal
Freedom Blvd.	Airport Blvd.			Signal	All	C
Highway 152	Holohan Rd./College Rd.			Signal	All	C
Green Valley Rd.	Airport Blvd./Holohan Rd.			Signal	All	D
CARBONERA	Unsignalized Intersections	Graham Hill Rd.	Lockwood Ln.	1-way Stop	WB L WB R SB L	D A A
		Graham Hill Rd.	Sims Rd.	1-way Stop	WB SB L	C A
		Highway 17-NB ramp	Pasatiempo Overpass	1-way Stop	NB	A
		Highway 17-SB ramp	Pasatiempo Overpass	2-way Stop	EB L	A
					EB	A
					WB	A
					SB L	A

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